

# TAB 1

### **DECLARATION OF JOSHUA BLACK**

1. I am an adult resident of the State of Texas, and I make this Declaration based on my personal knowledge and records maintained in the usual course of business by the Association of Professional Flight Attendants (“APFA”).

2. I am employed as a Flight Attendant by American Airlines, and I have served as the National Secretary of APFA since April 2020. In that capacity, I am familiar with the records kept by the Union.

#### **APFA Constitution and APFA Policy Manual**

3. The internal affairs of the APFA are governed by the APFA Constitution and the APFA Policy Manual. A true and correct copy of relevant excerpts from the APFA Constitution in effect at the time of the internal union hearings against Robert (Bob) Ross and Eugenio Vargas is attached as Exhibit A. The APFA Constitution provides that the APFA Board of Directors shall establish the policies of the Union consistent with the Constitution and “shall establish a Policy Manual to incorporate those policies, procedures, rules and regulations affecting the governing bodies, officers, representatives and members of the APFA in accordance with this Constitution.” Ex. A, Article III, Section 2.C; *see also id.*, Section 3.A. A true and correct copy of relevant excerpts from the APFA Policy Manual in effect at the time of the internal union hearings against Mr. Ross and Mr. Vargas is attached as Exhibit B.

4. The APFA has procedures for processing internal Union charges against any Union member or officer, which are outlined in Article VII of the Constitution, as well as Section 17 of the Policy Manual. Article VII of the Constitution addresses internal “Hearing and Disciplinary Procedures” for fining, suspending, or expulsion, or for the removal from Union office, of any APFA member or officer for engaging in enumerated misconduct, including among other things,

financial misconduct and for, among other things, the “[w]illful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee.” Ex. A, APFA Constitution, Art. VII, Section 1.F; *see also* Ex. B, Policy Manual at 17.1.

5. Article VII charges are to be filed with the APFA’s National Secretary, who then forwards a copy of the charges to the accused, as well as the Union’s Executive Committee. At its next regular meeting after Article VII charges have been filed, the APFA Executive Committee reviews the charges for timeliness, specificity and validity. Charges are “invalid” under the Constitution, for example, if they “address conduct protected by th[e] Constitution and/or by law (including the LMRDA Bill of Rights).” Ex. A, APFA Constitution, Art. VII, Section 3.D. If the charges are found by the Executive Committee to be timely, specific and valid, the matter is then referred to the Article VII Arbitrator to hear the case.

6. The Article VII Arbitrator is appointed by the Union’s Board of Directors and must be a respected third-party with “experience as a neutral in adjudicating internal labor organization disputes, and who has no other prior or current involvement with the APFA.” Ex. A, APFA Constitution, Art. VII, Section 5.C. The accused has 14 days after the Executive Committee’s procedural findings to move the arbitrator to dismiss the charge as invalid based on timeliness, failure to state a cognizable claim, failure to be sufficiently specific, or to allege that the basis for the charges was conduct protected by the APFA’s Bill of Rights or law. Ex. B, Policy Manual at 17.2. A party can also move for summary dismissal up until 14 days before the hearing. *Id.*

7. Hearings take place in person in the Dallas-Fort Worth (“DFW”) area and the accused must be provided with at least 30 days’ prior notice of the hearing. Ex. B, Policy Manual at 17.1. Under the Policy Manual, the Arbitrator “shall be the judge of the relevancy and

materiality of the evidence offered” and conformity with the legal rules of evidence is not required. *See id.* at 17.4. Initial costs of Article VII proceedings are borne by the APFA under the Constitution. However, if a charge is dismissed, costs can be levied against the accuser; if the charges are sustained, they can be offset by a fine levied against the accused. Ex. A, APFA Constitution, Art. VII, Section 7.B-C. After the hearing, but prior to the issuance of the Arbitrator’s decision, a party may file to reopen the hearing for good cause. Ex. B, Policy Manual at 17.5.

8. The Article VII Arbitrator “shall have power to resolve all charges referred” to him during his tenure and “[t]he decision of the Article VII Arbitrator shall be final and binding upon the accused and the accuser.” Ex. A, APFA Constitution, Art. VII, Section 6.A, H. Once the matter has been assigned to an Arbitrator, the APFA role is limited to minor administration functions and the Union is not a party to the dispute and plays no substantive role in the Article VII process.

#### **Internal Article VII Charges Filed Against Mr. Ross and Mr. Vargas**

9. In late November 2020, two rank and file union members, Sandra Lee and Melissa Chinery, filed Article VII charges against Mr. Ross, the former APFA National President, and Mr. Vargas, the former APFA National Treasurer, as well as another former Union officer, Nena Martin (whose charges were later dismissed).

10. Ms. Lee and Ms. Chinery filed charges against Mr. Ross and Mr. Vargas on November 18 and November 20, 2020, respectively. True and correct copies of their original charges are included as Exhibits C-D. As National Secretary, I notified Mr. Ross and the APFA Executive Committee of the charges against Mr. Ross on November 19, 2020, and provided Mr. Ross with a copy of the charges, as well as a copy of the relevant provisions of the APFA Constitution (Art. VII) and APFA Policy Manual (Section 17). A true and correct copy of this notice, without attachments, is included as Exhibit E.



11. On November 24, 2020, Ms. Chinery and Ms. Lee filed revised charges against Mr. Ross and Mr. Vargas, true and correct copies of which are attached as Exhibits F-G. I then sent a copy of these revised charges to the APFA Executive Committee and to Mr. Ross and Mr. Vargas. A true and correct copy of the revised charge notices to Mr. Ross and Mr. Vargas, without attachments, is attached as Exhibits H-I.

12. At its next regular meeting, conducted on December 1, 2020, the APFA's Executive Committee determined that the charges against Mr. Ross and Mr. Vargas were timely, specific and "valid" in accordance with the Constitution and that the matters should proceed to arbitration. A true and correct copy of the record from these votes are attached as Exhibit J-K.

13. In early December 2020, Mr. Ross and Mr. Vargas were advised that the charges against them were being referred to the Article VII Arbitrator for adjudication and were again provided with a copy of the charges. At no point prior to the hearings did Plaintiffs move to dismiss the charges for being untimely, nonspecific or invalid as they could have under the APFA's Constitution and the APFA's Policy Manual (*see* 17.2).

14. The APFA's Article VII Arbitrator for both cases was Ruben R. Armendariz, a nationally respected labor-management arbitrator with over 40 years of relevant experience, and member of the National Academy of Arbitrators. Mr. Armendariz was added to the Union's pool of Article VII Arbitrators by the APFA's Board of Directors in January 2021, a true and correct copy of the record from this vote is attached as Exhibit L. Arbitrator Armendariz's appointment was reaffirmed by the Board in October 2021, a true and correct copy of the record of this vote is attached as Exhibit M. While serving on the Union's Board of Directors at this time, Mr. Ross affirmatively voted to approve Mr. Armendariz's continuing appointment as an Article VII Arbitrator.

**Mr. Ross' Article VII Hearing and Arbitrator's Award**

15. Mr. Ross' Article VII hearing commenced on June 16, 2021. The hearing was continued until November 17, 2021, and concluded on November 18, 2021. The parties to the proceedings were the charging parties (Chinery and Lee) and Mr. Ross. The APFA was not a party. During the hearing, the charging parties represented themselves and Mr. Ross represented himself and was also represented by two other APFA-members, including former APFA Base representative Gina Guidry and member Kit Gomez Alba. Dozens of documents were submitted into evidence and Mr. Ross called and cross-examined witnesses and took the stand in his own defense. A transcript of the proceedings was kept and provided to Mr. Ross. A true and correct copy of the relevant excerpts from the transcript to these proceedings is attached as Exhibit N.

16. On February 18, 2022, both sides submitted post-hearing briefs following the hearing. A true and correct copy of Mr. Ross' Post-Hearing Brief is attached as Exhibit O.

17. On February 26, 2022, after the conclusion of the hearing, Mr. Ross' representative requested to reopen the hearing and provided the Arbitrator with a copy of a memorandum dated October 22, 2020, from an accountant for the APFA, Hal O'Neil (which Mr. Ross refers to as the "Confidential Memorandum"). A true and correct copy of this February 26, 2022 request, and the accompanying memorandum, is attached as Exhibit P.

18. Mr. Ross' request was denied by Arbitrator Armendariz on February 28, 2022, who stated in his response:

Your request at this juncture to reopen the record is hereby denied. I am comfortable with the record as it stands now. This issue was raised and argued at hearing. I do not believe a showing of further good cause or additional substantive material should be introduced into the record as I believe the record is complete regarding the issue raised herein.

A true and correct copy of the Arbitrator's response denying Mr. Ross' request to reopen the hearing is attached at Exhibit Q.

19. On March 19, 2022, the Arbitrator issued his decision on the charges against Mr. Ross, a true and correct copy of which is attached as Exhibit R.

20. Among other things, Arbitrator Armendariz ordered APFA to hire "an Independent Forensic Auditor to audit Robert Ross' weekly reports, monthly reports and APFA credit card charges from April 1, 2016 through July 2018" to determine if claimed expenses were for legitimate business purposes or not. The APFA retained the firm of Cornwell Jackson, CPA, to conduct a financial review, and a true and correct copy of Cornwell Jackson's August 5, 2022, report regarding Mr. Ross' expenses provided to the Arbitrator is attached as Exhibit S. Following the receipt of this audit, the Arbitrator issued a Supplemental Award on August 24, 2022, a true and correct copy of which is attached as Exhibit T.

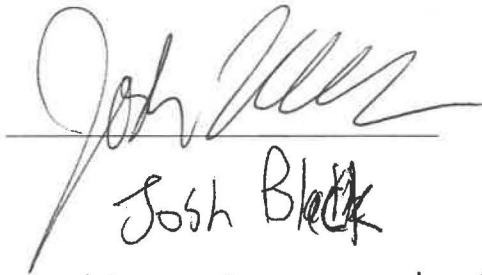
#### **Mr. Vargas' Article VII Hearing and Arbitrator's Award**

21. The hearing on the Article VII charges filed against Mr. Vargas took place over three days: September 14-16, 2021. The APFA was not a party. The charging parties represented themselves and Mr. Vargas represented himself and was also represented by APFA Members Nena Martin, a former APFA National Officer, Base President and Board of Directors member, and Heidi Morgan, a former Base President and Board of Directors member. Dozens of documents were submitted into evidence from both sides. Mr. Vargas called and cross-examined witnesses and took the stand in his own defense. A transcript of the hearing proceedings was maintained and provided to Mr. Vargas. A true and correct copy of the relevant excerpts from these proceedings are attached at Exhibit U. Both sides submitted Post-Hearing Briefs. A true and correct copy of Mr. Vargas' Post-Hearing Brief is attached as Exhibit V.

22. Mr. Armendariz issued his decision on February 18, 2022, a true and correct copy of which is attached as Exhibit W. The Arbitrator found evidence of improper expenses charged to the Union by Mr. Vargas and ordered the APFA to “hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer.” *Id.* at 38. The Union had questions about the Arbitrator’s First Award and on March 10, 2022, the Arbitrator issued a Supplemental Decision Over APFA’s Request for Clarification of the Remedy, a true and correct copy of which is attached at Exhibit X.

23. The APFA retained the firm of Cornwell Jackson, CPA, to conduct this financial review, and a true and correct copy of Cornwell Jackson’s August 5, 2022, report regarding Mr. Vargas’ expenses provided to the Arbitrator is attached as Exhibit Y. Following the receipt of this report, the Arbitrator issued a Supplemental Award on August 24, 2022, a true and correct copy of which is attached as Exhibit Z.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 23<sup>rd</sup> day of April 2024.

  
Josh Black  
APFA National Secretary

TY-4



THE  
CONSTITUTION  
OF THE  
ASSOCIATION  
OF  
PROFESSIONAL  
FLIGHT  
ATTENDANTS

*As amended by the APFA Membership*  
JUNE 18, 2014



RATIFIED BY THE  
**APFA Membership on**

*January 3, 1980*

**Amended by the**  
**APFA Membership on**

*February 23, 1981*

*July 21, 1982*

*October 30, 1985*

*April 3, 1989*

*September 11, 1991*

*October 24, 1994*

*June 13, 1995*

*January 7, 2010*



# APFA CONSTITUTION

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## ARTICLE II

### MEMBERSHIP

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#### Section 1. ELIGIBILITY FOR MEMBERSHIP:

- A. Any person in the craft and class of Flight Attendant at an airline at which the APFA is the recognized Bargaining Agent for the Flight Attendant employee group at that airline shall be eligible to join and maintain membership in the APFA as hereinafter provided.
- B. A Flight Attendant who accepts a paid position with the employer outside the craft and class of Flight Attendant shall no longer be eligible for membership in the APFA. If the person returns to the position of Flight Attendant, he or she shall be eligible to rejoin the union, upon payment of APFA's re-initiation fee.

#### Section 2. OBLIGATIONS OF MEMBERS:

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties and responsibilities.

#### Section 3. BILL OF RIGHTS OF MEMBERS:

- A. All members of the APFA shall have the right of free speech, freedom of assembly and freedom to dissent.
- B. All members of the APFA shall have access to all administrative and financial reports and records except as provided in Section 5.B(1) of this Article II.
- C. All members of the APFA shall have the right to individual privacy.
- D. All members of the APFA shall have the right to due process and equal representation.
- E. All members of the APFA shall have full equality of rights and shall not be discriminated against because of national origin, race, religion, creed, age, disability, sex, sexual orientation or gender identity.

#### Section 4. CLASSIFICATION OF MEMBERSHIP:

- ACTIVE:

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**ARTICLE III****GOVERNMENT OF THE APFA****Section 1. THE APFA CONSTITUTION:**

This Constitution shall be the supreme law of the APFA.

- A. This Constitution may be recommended to the membership for alteration, addition, deletion or amendment by:
- (1) a two-thirds (2/3) majority of the Voting Board of Directors, or
  - (2) a petition(s) submitted in accordance with the provisions of this Constitution carrying signatures numbering twenty-five percent (25%) or more of active members in good standing. The office of the National Treasurer must, within thirty (30) days following receipt of such petition(s), verify that the names on the petition(s) are of active members in good standing and must issue written certification to the National Balloting Committee (NBC) authorizing a special balloting of the membership to begin no later than thirty (30) days following such certification.
- B. An affirmative vote by a majority of those active members in good standing who return valid ballots shall be required for the passage of any proposed alteration, addition, deletion or amendment.

**Section 2. GOVERNING BODIES AND POLICIES:**

- A. The governmental powers of the APFA shall be vested in the Board of Directors, and the officers and representatives of the APFA in accordance with the provisions of this Constitution. The final control of the APFA shall be vested in the membership.
- B. The APFA shall establish an Executive Committee. This Constitution shall confer and vest in the Executive Committee the rights, privileges, duties and responsibilities to act as agent for the Board of Directors in accordance with the provisions of this Constitution.
- C. The APFA shall establish a Policy Manual to incorporate those policies, procedures, rules and regulations affecting the governing bodies, officers, representatives and members of the APFA in accordance with this Constitution. The Policy Manual shall include but not be limited to the following: trip removal policy, expense policy, officer salaries, budget policy, headquarters policy, and policies governing conventions and meetings of the Board of Directors and the Executive Committee.



**Section 3. BOARD OF DIRECTORS:**

- A. The Board of Directors is authorized and empowered to take any and all lawful action consistent with this Constitution to safeguard and protect the APFA, and the rights, privileges, duties and responsibilities of the officers, representatives and members of the APFA. The Board of Directors is authorized to interpret this Constitution and to establish, prescribe and adopt such other policies which may be consistent with this Constitution as required for the direction and management of the affairs of the APFA.
- B. Organization
- (1) The Board of Directors shall consist of the National President, National Vice President, National Secretary, National Treasurer, and each Base President.
  - (2) The Voting Board of Directors shall consist of each Base President.
    - a. The National President, National Vice President, National Secretary and National Treasurer shall have a voice but no vote at a Board of Directors meeting, except that:
    - b. when all voting members are present, and when a vote on an issue by the voting members results in a tie, with no abstentions, the National President must cast the deciding vote.
  - (3) The Delegate(s) shall be those Base Presidents (or in their absence, the Vice Presidents) who have been elected by the membership of their bases, or duly elected by virtue of running unopposed, to serve as delegates to the Annual or Special Convention(s) with the authority to elect or remove Ad Hoc Members of the Executive Committee.
- C. Annual Training: The Board of Directors shall participate in an annual training session.
- D. Annual Convention: The Board of Directors shall convene once a year as the Annual Convention of the APFA on a date and at a location determined by the National President. The Annual Convention shall be held no earlier than ninety (90) days and no later than fifteen (15) days prior to the expiration of the current fiscal year.
- E. Special Meetings/Special Conventions: The Board of Directors may convene for special meetings or special conventions.
- (1) A Special Meeting or a Special Convention may be called by the National President or by four (4) members of the Executive Committee, or by a

- majority of the Voting Board of Directors by written request to the National Secretary.
- (2) The Special Meeting or the Special Convention must convene no later than fourteen (14) days following receipt by the National Secretary of such request.
- F. Quorum: In order to conduct the business of the APFA, including business conducted by Teleconference Meeting, a quorum or more must be present. A quorum of the Board of Directors shall consist of two-thirds (2/3) of the total Board of Directors.
- G. Agenda: There shall be no restrictions on business conducted at any convention or meeting of the Board of Directors provided however, that no business shall be acted upon without:
- (1) ten (10) days notice of the agenda in writing to the total Board of Directors prior to such meetings, or
  - (2) approval by a majority of the Voting Board of Directors who are present at the meeting.
- H. When more than a quorum is present at any convention or meeting of the Board of Directors, all issues shall be decided by a majority of the Voting Board of Directors, except as provided for in this Constitution. In the event that only a quorum is present, all issues shall be decided by a two-thirds (2/3) majority vote of the quorum, except as provided for in this Constitution.
- I. At any convention or meeting, except as provided for in Section J below, each Base President shall be entitled to:
- (1) one (1) vote;
  - (2) issue his/her proxy in writing to another Board member, provided:
    - a. The member must be present at the meeting before giving a proxy to another member,
    - b. A proxy shall not be exercised when the member is present at the table;
    - c. A proxy shall not be exercised in a secret ballot; and
    - d. A proxy shall be valid until the conclusion of the day's business;
  - (3) hold one (1) written proxy.
  - (4) Each Base President may duly designate.
    - a. In the event that a Base President cannot attend all or part of a Board meeting, the Vice President shall attend in his/her absence. Should there be no Vice President available to fill the seat of the Base President at the Board meeting, the Base



- President shall first designate from the Base Council, then from the base at large.
- b. Such designation shall be in writing, signed by the Base President, and given to the National Secretary prior to any vote by the designee.
- (5) The Vice President or designee shall have the same powers as the Base President at any convention or meeting except as provided in J of this Section 3.
- J. Only for the purposes of electing or removing an Ad Hoc Member of the Executive Committee at the Annual or Special Convention(s), each Delegate, as defined in Article I, Section 7,C of this Constitution and Section 3,B,(3) of this Article III, shall be entitled to:
- (1) one (1) vote;
  - (2) issue his/her proxy in writing to another Delegate, provided that such proxy shall not be exercised when the Delegate is present at the table;
  - (3) hold one (1) written proxy; and
  - (4) in this instance only:
    - a. the Delegate issuing the proxy need not be present at the Annual or Special Convention to issue the proxy; and
    - b. the proxy may be used only for the secret ballot vote to elect or remove Ad Hoc Members of the Executive Committee.
- K. Minority Report: Whenever two or more members of the total Board of Directors do not agree with the opinion of the majority on any matter, they shall have the right to submit a written report concerning that matter to the National Secretary. The National Secretary must then append that minority report to the minutes of the appropriate Board of Directors convention or meeting.
- L. Jurisdiction and Duties: The Board of Directors shall have the following rights, privileges, duties and responsibilities:
- (1) set policy for the APFA;
  - (2) modify the APFA Policy Manual as it deems appropriate;
  - (3) approve the annual budget;
  - (4) set annual goals for the APFA as it deems appropriate;
  - (5) assign to each Ad Hoc Member of the Executive Committee those Presidents with whom s/he shall maintain regular contact and communication;
  - (6) determine the number of administrative, committee, and support positions as may be required under

Article IX of this Constitution to meet the needs of the membership;

- (7) nominate and appoint members of the National Balloting Committee and Budget Committee when appointments are appropriate;
- (8) review the base assignment of any OAL Operation or satellite and, when necessary alter operation or satellite assignments;

While not limited to the following, the Board of Directors may:

- (9) review the dues structure of the Association;
- (10) override the Executive Committee rejection of a proposed Collective Bargaining Agreement;
- (11) establish the Regions, and the National Vice President will assign the Regional Representatives;
- (12) establish, combine, delete or change the duties, responsibilities and specific job descriptions of administrative, committee and support personnel in accordance with the provisions of Article IX of this Constitution for budgetary or policy reasons, taking into consideration the recommendations of the National Officers;
- (13) direct special mailings to the membership;
- (14) recognize the accomplishments and achievements of members of the APFA;
- (15) give annual awards;
- (16) confer Honorary membership;
- (17) approve hardship dues forgiveness and review other hardship requests that may be brought before the Board;
- (18) appoint special committees;
- (19) appoint or change the Article VII Arbitrator or Alternate Article VII Arbitrator(s);
- (20) approve Article VII administrative changes;
- (21) suspend officers or representatives pursuant to Article VII;
- (22) take any and all appropriate action deemed necessary by the Board and in accordance with this Constitution to promote the welfare of the members of the APFA, and this shall include the right to reverse an action or decision of the Executive Committee, National Officers or other representatives, except as provided in this Article III, Section 4.J.11 or Article VIII, Section 6.B of this Constitution.

M. The Delegates at the Annual Convention shall nominate and elect Ad Hoc Members of the Executive Committee as terms expire or when a vacancy occurs. At the Annual



or Special Convention(s), Delegates may remove Ad Hoc Members and may nominate and elect Ad Hoc Members to fill a vacancy for the balance of the unexpired term.

**Section 4. EXECUTIVE COMMITTEE:**

- A. The Executive Committee shall act as the agent for and on behalf of the Voting Board of Directors, and shall interpret this Constitution, subject to the approval of the Board of Directors.
- B. Organization: The Executive Committee shall consist of the National President, National Vice President, National Secretary, National Treasurer and five (5) Ad Hoc Members.
- C. Quarterly Meetings: The Executive Committee shall convene for the transaction of business at least once each quarter on a date and at a location determined by the National President.
- D. Special Meetings: The Executive Committee may convene for special meetings.
  - (1) A Special Meeting of the Executive Committee may be called by the National President or by four (4) members of the Executive Committee by request to the National Secretary.
  - (2) The Special Meeting must convene within seven (7) days following receipt by the National Secretary of such request.
- E. Quorum: In order to conduct the business of the APFA, including business conducted by Teleconference Meeting, a quorum or more must be present. Seven (7) members of the Executive Committee shall constitute a quorum.
- F. Agenda: There shall be no restrictions on business conducted at any meeting of the Executive Committee provided however, that no business shall be acted upon without:
  - (1) three (3) days notice of the agenda in writing to the Executive Committee prior to such meeting, or
  - (2) approval by a majority of the members of the Executive Committee who are present at the meeting.
- G. All issues shall be decided by five (5) or more members of the Executive Committee voting in the affirmative except as provided for in this Constitution.
- H. Each member of the Executive Committee shall be entitled to:
  - (1) one (1) vote;



- (2) issue his/her proxy in writing to another member of the Executive Committee, provided:
  - a. the member must be present at the meeting before giving a proxy to another member,
  - b. a proxy shall not be exercised when the member is present at the table;
  - c. a proxy shall not be exercised in a secret ballot;
  - d. a proxy shall be valid until the conclusion of the agenda's business;
  - e. hold one (1) written proxy.
- I. A member of the Executive Committee shall not be entitled to duly designate another person to act for such member at any meeting of the Executive Committee except as provided for in Article VII, Section 4.C of this Constitution.
- J. Ad Hoc Members of the Executive Committee:
  - (1) At least sixty (60) days prior to the Annual Convention, the National Secretary, via the official publication of the APFA, shall issue a Willingness-to-Serve (WTS) notification to advise the membership that the Delegates will elect Ad Hoc Member(s) of the Executive Committee. A WTS notification may be returned to the National Secretary at any time prior to the Annual Convention for distribution to the Board of Directors.
  - (2) Prior to the secret ballot election or removal of Ad Hoc Members at the Annual or Special Convention(s), the National Secretary shall read the names of those Base Presidents or Vice Presidents who have been elected as Delegates to the Annual or Special Convention(s) as certified by the National Balloting Committee. The National Secretary shall record the names of those Delegates present and/or the names of those Delegates issuing or holding a proxy, as provided for in Section 3.J of this Article III. Only those Delegates recorded by the Secretary may participate in the vote to elect or remove the Ad Hoc Members at that Convention.
  - (3) Any member of the Board of Directors may nominate an individual to serve as an Ad Hoc Member. In nominating and electing Ad Hoc Members, the Board shall not be limited to those individuals nominated by WTS notifications.
  - (4) Nominations shall be put forward during the first day of the Annual Convention, and elections shall be the last agenda item for the Annual Convention. At a Special Convention, nominations and elections may take place on the same day. In no event may a

- Convention adjourn with a vacancy remaining in any position of Ad Hoc Member.
- (5) Ad Hoc Members shall be elected to serve staggered three (3) year terms by a two-thirds (2/3) majority vote of the recorded Delegates by secret ballot. If no candidate receives a two-thirds (2/3) majority vote in the initial balloting, Delegates may nominate additional candidates in accordance with J.(3) above.
  - (6) The balloting process for the election or removal of Ad Hoc Members at the Annual or Special Convention(s) shall be conducted by members of the National Balloting Committee.
  - (7) Acceptance of a position as an Ad Hoc Member shall constitute acceptance of a position with the APFA for the purposes of this Constitution. An Ad Hoc Member may perform additional duties as deemed appropriate by the National Officers, the Board of Directors or the Executive Committee so long as such duties do not constitute acceptance of an additional position with the APFA as defined in Section 6 or Section 7 of this Article III, or in Article IX, Sections 4, 5, 6 or 7 of this Constitution.
  - (8) Ad Hoc Members shall not be full time salaried positions, but shall be compensated for expenses, pay continuance and/or trip removal in accordance with applicable provisions contained in Article V of this Constitution and in the APFA Policy Manual.
  - (9) An Ad Hoc Member may be removed from his/her position only at a Convention by a two-thirds (2/3) majority vote of the recorded Delegates by secret ballot, with or without cause.
  - (10) In the event of a vacancy in the position of Ad Hoc Member, or in the event an individual declines the position after the Annual Convention has adjourned, the Executive Committee shall function with a vacancy so long as at least a quorum of the Executive Committee exists until the next Annual or Special Convention. At that Convention, the recorded Delegates shall elect a new Ad Hoc Member to fill the vacancy and complete the balance of the unexpired term.
  - (11) Ad Hoc Members shall function, when necessary, as the APFA Grievance Appeal Panel to review decisions of the Grievance Review Committee.
    - a. When the Grievance Review Committee decides to withdraw a grievance, such decision may be



appealed by the grievant to the Grievance Appeal Panel.

- b. The decision of the Grievance Appeal Panel shall be final and binding and not subject to reversal by the Executive Committee or the Board of Directors.

K. Jurisdiction and Duties: The Executive Committee shall be charged with the rights, privileges, duties, and responsibilities to:

- (1) assure compliance with the policies as set forth and established by the Board of Directors;
- (2) act on business or matters presented to the Executive Committee by any member of the Board of Directors or by administrative or committee personnel;
- (3) communicate on a regular and consistent basis with members of the Board of Directors;
- (4) determine the content of annual training for members of the Board of Directors;
- (5) confirm or reject the nomination of individuals to serve in the administrative and committee positions as provided in Article IX of this Constitution;
- (6) establish special committees and/or task forces which may be deemed necessary to the best interest of the membership;
- (7) confirm or reject the nominations of members to other committees as established by this Constitution or as may be established by the Board of Directors;
- (8) confirm the National Treasurer's recommendation of the accounting firm to prepare the annual audit;
- (9) approve the initiation of litigation prior to commencement of a lawsuit;
- (10) take any and all appropriate action deemed necessary by the Executive Committee and in accordance with this Constitution and the resolutions and policy decisions of the Board of Directors to promote the welfare of the members of the APFA, and this shall include the right to reverse an action or decision of the National Officers or other representatives, except as provided in this Article III, Section 4.J.11.

While not limited to the following, the Executive Committee may:

- (11) recommend changes to the APFA Policy Manual;
- (12) accept a proposed Collective Bargaining Agreement as submitted by the Negotiating Committee for referral to the membership for ratification;

- (13) reject a proposed Collective Bargaining Agreement as submitted by the Negotiating Committee;
- (14) adjust the budget to meet the unexpected needs of the membership, provided that:
  - a. such budget adjustment shall require that the Board of Directors be notified of the adjustment within forty-eight (48) hours following the adjournment of the Executive Committee meeting wherein the budget was adjusted, and
  - b. such adjustment may not reduce any base budget without prior approval by a majority of the Voting Board of Directors;
- (15) direct that a special mailing be sent to the membership;
- (16) recognize the accomplishments and/or contributions of members and/or representatives of the APFA;
- (17) approve hardship dues forgiveness and review other hardship requests that may be brought before the Executive Committee.
- (18) order a special Base/Delegate election should a convention be scheduled to convene and there exists at such base a dual vacancy in the positions of Base President and Vice President, or in the event the base does not have an elected Delegate to the convention. Such special election shall be held in accordance with the procedures provided for in the APFA Policy Manual.

#### **Section 5. TELECONFERENCE MEETINGS:**

When it becomes necessary for the Board of Directors and/or the Executive Committee to act on urgent or emergency business through the use of a Teleconference Meeting, the following procedures shall apply:

- A. The National President, or four (4) members of the Executive Committee, or a majority of the Voting Board of Directors may advise the National Secretary that a Teleconference Meeting of the Board of Directors is required to conduct the business of the APFA.
- B. The National President, or four (4) members of the Executive Committee may advise the National Secretary that a Teleconference Meeting of the Executive Committee is required to conduct the business of the APFA.
- C. The purpose of the Teleconference Meeting must be submitted to the National Secretary in writing and any resolution(s) shall include the names of the maker and second.

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- M. All business conducted by a Teleconference Meeting shall become a part of the permanent record of the APFA.
- N. Any business conducted by a Teleconference Meeting is subject to reconsideration at the next meeting of the Executive Committee or Board of Directors, as appropriate.

**Section 6. OFFICERS:**

- A. Definitions: The National Officers shall be the National President, National Vice President, National Secretary and National Treasurer.
- B. Duties of the National President shall include but not be limited to the following:
  - (1) The National President shall be the chief executive officer of the APFA, and shall conduct the affairs of the APFA in accordance with this Constitution and the resolutions and policy decisions of the Board of Directors and/or the Executive Committee.
  - (2) The National President shall sign any agreements, supervise the activities of the APFA and carry out any duties the Board of Directors and/or the Executive Committee may request, in accordance with this Constitution.
  - (3) The National President shall convene any convention or meeting of the Board of Directors and the Executive Committee. S/he must convene the Board to review any proposed Collective Bargaining Agreement between the APFA and AAL.
  - (4) The National President shall convene any meeting of the OAL Operation Advisory Panel. S/he must convene the Panel to review any proposed Collective Bargaining Agreement between the APFA and an airline other than AAL whose Flight Attendant employees are represented by the APFA.
  - (5) The National President shall act as Chairperson for the Board of Directors, the Executive Committee, the Negotiating Committee and the OAL Operation Advisory Panel. The National President shall oversee all other national committees, unless otherwise provided for in this Constitution or by resolution or policy of the Board of Directors or the Executive Committee.
  - (6) The National President shall recommend to the Executive Committee all changes in employment and staff requirements and, subject to the approval of the Executive Committee, fix compensation for all agents and employees of the APFA. The National

President shall be responsible for the employment, supervision and discharge of all agents and employees of the APFA.

- (7) The National President may address an Annual Report to the membership.
  - (8) The National President shall nominate, and the Executive Committee shall confirm or reject, individual active members in good standing to serve as National Chairs.
  - (9) The National President shall appoint Negotiating Committee members in accordance with Article X, Section 5, A(1)b of this Constitution.
  - (10) The National President shall have the authority to hire, retain or employ general counsel and/or other legal counsel for the APFA, subject to the approval of the Executive Committee.
  - (11) The National President shall direct and coordinate legislative and political initiatives and any lobbying efforts on behalf of the Association to further the objectives of the APFA.
- C. Duties of the National Vice President shall include but not be limited to the following:
- (1) The National Vice President shall assist the National President in the discharge of all duties. In the absence of the National President, or should a vacancy occur in the office of National President, the National Vice President shall perform the duties of the National President.
  - (2) The primary responsibility of the National Vice President shall be to oversee the grievance and arbitration process provided for in the Railway Labor Act and the Collective Bargaining Agreement(s) entered into between the APFA and employers.
  - (3) The National Vice President shall serve as the APFA's permanent Chairperson of the Flight Attendant System Board(s) of Adjustment.
  - (4) The National Vice President shall coordinate activities of the System Board(s) of Adjustment with other departments within the APFA.
  - (5) The National Vice President shall nominate, and the Executive Committee shall confirm or reject, individual active members in good standing to serve as Regional Representatives.
  - (6) The National Vice President shall determine the specific base assignments of each Region and assign and coordinate the activities of the members appointed to serve as Regional Representatives.



- (7) The National Vice President shall be authorized to hire, retain and employ legal counsel as may be required to provide members with representation in the grievance and arbitration process, subject to the approval of the Executive Committee.
  - (8) The National Vice President shall ensure the training and continuing education of all representatives involved in the grievance and arbitration process.
  - (9) The National Vice President shall coordinate and chair a Grievance Review Committee to oversee the disposition of grievances.
- D. Duties of the National Secretary shall include but not be limited to the following:
- (1) The National Secretary shall be responsible for all administrative records of the Association.
  - (2) The National Secretary shall cause to be kept an administrative record of all officers, representatives and appointees.
  - (3) The National Secretary shall notify the Board of Directors, the Executive Committee and the OAL Operation Advisory Panel of any convention or meeting.
  - (4) The National Secretary shall cause to be kept a record of all proceedings at any convention or meeting of the Board of Directors, or at any meeting of the Executive Committee and the OAL Operation Advisory Panel.
  - (5) The National Secretary shall submit a written report of all meetings of the Executive Committee and the OAL Operation Advisory Panel to the Board of Directors within fifteen (15) days following such meeting.
  - (6) The National Secretary shall oversee the National Balloting Committee.
  - (7) The National Secretary shall assist the National President in the preparation of any Annual Report to the members of the APFA.
  - (8) The National Secretary shall administer Article VII procedures.
  - (9) The National Secretary shall update and ensure distribution of the APFA Policy Manual.
  - (10) The National Secretary shall assist in establishing regular training and continuing education programs for representatives of the APFA, and shall maintain the APFA training records of all representatives.

- (11) The National Secretary shall ensure that training and reference materials and Association publications and manuals are maintained.
- (12) The National Secretary shall be responsible for the library of the Association.
- (13) The National Secretary shall establish and maintain lines of communication between members of the Executive Committee, Base Representatives and all administrative departments and committees.
- (14) The National Secretary shall assist the National Treasurer in the discharge of all duties. Should there be a temporary absence in the office of the National Treasurer; the National Secretary may perform the duties of the National Treasurer.

E. Duties of the National Treasurer shall include but not be limited to the following:

- (1) The National Treasurer shall be responsible for the care and custody of the funds and securities of the APFA, receiving all dues, fees and special assessments assigned to the APFA.
- (2) The National Treasurer shall be responsible for all financial records of the APFA.
- (3) The National Treasurer shall cause to be kept a record of the APFA's membership so as to show at all times the number of members in each membership status or classification, their respective places of residence, their post office addresses, their base locations and the date when each person became a member of the APFA and/or changed membership status or classification.
- (4) The National Treasurer shall cause to be kept an individual record of all dues and assessments for each member.
- (5) The National Treasurer shall oversee the APFA Budget Committee and shall assist in the preparation of the annual budget.
- (6) The National Treasurer shall submit the annual budget to the Board of Directors for approval at the Annual Convention.
- (7) The National Treasurer shall advise the Board of Directors and the Executive Committee of any significant change in the financial standing of the APFA.
- (8) The National Treasurer shall submit a monthly financial report to the Board of Directors and to the Executive Committee as provided for in Article IV, Section 4.C of this Constitution.



- (9) The National Treasurer shall submit a quarterly financial review to the Board of Directors and to the Executive Committee as provided for in Article IV, Section 4.D of this Constitution.
- (10) The National Treasurer shall submit with his/her signature all Federal and State Reports required by law.
- (11) The National Treasurer shall oversee and coordinate ongoing computerization of the APFA headquarters files, records and systems.
- (12) The National Treasurer shall oversee the daily activities of the APFA headquarters office staff.
- (13) The National Treasurer shall coordinate the headquarters office staff to ensure assistance is provided to administrative, committee and support personnel.
- (14) The National Treasurer shall assist the National Secretary in the discharge of all duties. Should there be a temporary absence in the office of the National Secretary; the National Treasurer may perform the duties of the National Secretary.

**Section 7. BASE COUNCILS / BASE REPRESENTATIVES:**

- A. Organization: The Base Council shall consist of the Base President, Vice President, and Base Council Representatives (BCRs). When a base contains both an American Airlines Operation and one or more OAL Operations (as defined in Article I, Section 7,K,2 of this Constitution), the Base Council shall also include an OAL Operation Advisory Panel Representative (APR). The members of a Base Council hold positions with the APFA as Base Representatives.
- B. Base Representatives shall hold such positions only at the base where they are stationed.
- C. The Base President and Vice President shall be elected by the membership of the base at large.
- D. Base Council Representatives (BCRs) shall be elected by the membership of the American Airlines base at which they are stationed. BCRs shall hold such positions only at the base at which they are stationed.
  - (1) Each base shall be entitled to one BCR for each one hundred (100) members or fraction thereof who are stationed at the base.
- E. The Advisory Panel Representative (APR) shall be elected by the membership of the OAL Operation base at which he/she is stationed. The APR shall hold such position only from the OAL Operation base at which he/she is stationed.

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**ARTICLE VII**  
**HEARINGS AND DISCIPLINARY**  
**PROCEDURES**

**Section 1. GROUND FOR CHARGES:**

Any member is subject to fine, suspension or expulsion, or suspension from or removal from office, for any of the following acts:

- A. Failure to pay dues, assessments or penalties levied by the Association;
- B. Advocating, or working toward, the displacement of the APFA as bargaining representative (providing that advocating, or working toward an affiliation, merger or federation of the APFA pursuant to Article XII of this Constitution shall not be grounds for discipline);
- C. Willfully acting as a strike breaker during any work stoppage duly authorized by the Association;
  - (1) Notwithstanding Section 1.C, above (which provides as a grounds for charges willfully acting as a strike breaker during any work stoppage duly authorized by the Association) APFA shall not process any charge of willfully acting as a strike breaker during the November 1993 strike against American Airlines.
- D. Willful violation of a Flight Attendant's Collective Bargaining Agreement;
- E. Theft or embezzlement of Association monies or property;
- F. Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee;
- G. Willfully acting in a manner that causes the Association to violate its legal obligations; or
- H. Willfully bringing charges without reasonable basis against another member, officer or representative of the Association, should such charges be dismissed for any reason by the Article VII Arbitrator designated herein, or should such charges not be sustained by the Article VII Arbitrator.

**Section 2. FILING OF CHARGES:**

- A. A charge may be filed by any member in good standing. All charges shall be filed with the National Secretary and shall be proffered in writing and shall be specific as to the alleged act(s) and/or the Article(s) of this Constitution



allegedly violated which constitute the basis of the charge(s).

- B. The National Secretary shall cause a copy of the charges to be served upon the accused and the accuser within seven (7) days following receipt of the charges. Such notification shall be by registered mail, return receipt requested to their last known addresses, and shall furnish the accused and the accuser a description of all relevant procedures.
- C. The National Secretary shall send a copy of all charges to the Executive Committee and to the Board of Directors within seven (7) days following his/her receipt of the charges.
- D. Time Limits:
  - (1) Charges based on Section 1.A through Section 1.F of this Article VII must be filed within sixty (60) days after the accuser becomes aware, or reasonably should have become aware, of the alleged offense.
  - (2) Charges based on Section 1.G of this Article VII may not be filed unless and until it has been determined, in a separate legal proceeding (such as a lawsuit), that the Association has violated its legal obligations, or unless and until the Association settles a legal proceeding brought against it by furnishing substantial relief to an opposing party. Charges based on Section 1.G above must be filed within sixty (60) days after the accuser becomes aware, or reasonably should have become aware, of the completion or settlement of the legal proceeding.
  - (3) Charges based on Section 1.H of this Article VII must be filed within sixty (60) days following the Article VII Arbitrator's decision which gives rise to such charge(s).
- E. The accused and accuser may be represented during Article VII proceedings by any individual; however, the APFA will not compensate either party for attorney's fees.

### **Section 3. REVIEW OF CHARGES:**

At the first regularly scheduled meeting of the Executive Committee following receipt of charges by the National Secretary, the Executive Committee shall review the charges for timeliness, specificity and validity.

- A. Should the charges be determined to be timely, specific and valid, such charges shall then be forwarded by the National Secretary via registered mail, return receipt requested to the Article VII Arbitrator designated herein

within seven (7) days following such Executive Committee meeting.

- B. Charges deemed untimely by the Executive Committee will be dismissed without appeal.
- C. Charges deemed non-specific by the Executive Committee shall be referred back to the accuser. The accuser may resubmit, one time only, such charges to the National Secretary for review by the Executive Committee at its next regularly scheduled meeting without affecting the time limits of Section 2.D of this Article VII.
- D. Charges may be deemed invalid and dismissed if the Executive Committee determines that the charges address conduct protected by this Constitution and/or by law (including the LMRDA Bill of Rights). Charges may also be deemed invalid and dismissed if they fail to state a proper claim under Section 1 of this Article VII. Should such charges be dismissed as invalid, the accuser may, within seven (7) days following receipt of notification of dismissal by the Executive Committee, appeal to the Article VII Arbitrator designated herein. If the Article VII Arbitrator determines that the charges are valid, s/he shall so advise the National Secretary, the accused and the accuser, and the charges will be processed in accordance with this Article VII.

#### **Section 4. SUSPENSION FROM OFFICE:**

- A. If charges are filed against a national officer or elected representative based on Section 1.B, Section 1.C or Section 1.E of this Article VII, the Board of Directors may determine at any time during the pendency of the charges that the alleged conduct giving rise to the charges threatens the APFA's vital interests. The Voting Board of Directors may then, by two-thirds (2/3) vote, suspend the accused's authority as national officer or elected representative until the threat is removed or the Article VII Arbitrator designated herein resolves the charges, whichever occurs sooner.
- B. A national officer or elected representative suspended pursuant to this section shall be entitled, upon demand, to an expedited resolution of the charges, with a decision rendered within thirty (30) days following the Board of Directors Meeting where the officer or elected representative was suspended.
- C. If the charges are filed by or against a member of the Executive Committee or the Board of Directors, such member must appoint an alternate member of the Association to participate in the review of the charges as



provided in Section 3 of this Article VII and, when necessary, to participate in the vote regarding the suspension of the member of the Executive Committee or Board of Directors as provided in this Section 4.

**Section 5. APPOINTMENT OF  
THE ARTICLE VII ARBITRATOR:**

- A. The Board of Directors shall appoint an arbitrator to resolve all charges filed under this Article VII. The Article VII Arbitrator, once appointed, shall serve until s/he resigns or until the Board of Directors determines to appoint a new Article VII Arbitrator.
- B. The Board of Directors may also appoint one or more alternate Article VII Arbitrators who shall have the authority to hear and decide particular charges when the Article VII Arbitrator is not available.
- C. The Article VII Arbitrator and any alternate Article VII Arbitrator(s) shall be a person expert in labor law who is a neutral (such as an academic or professional labor arbitrator), who has experience as a neutral in adjudicating internal labor organization disputes, and who has no other prior or current involvement with the APFA.

**Section 6. JURISDICTION AND AUTHORITY OF  
THE ARTICLE VII ARBITRATOR:**

- A. The Article VII Arbitrator shall have power to resolve all charges referred to him/her during his/her tenure.
- B. The administrative procedures for handling Article VII charges shall be included in the APFA Policy Manual. The Article VII Arbitrator may from time to time propose changes in these administrative procedures, and such changes shall become effective and included in the Policy Manual if they are approved by the Board of Directors. The administrative procedures to be adopted shall be in general compliance with American Arbitration Association rules where practicable, but may not conflict in any respect with the provisions of this Constitution.
- C. The Article VII Arbitrator may, on his/her own motion or upon motion filed by the accused, declare that charges are untimely or do not allege a violation cognizable as charges under this Article VII and thus are dismissed without the need for hearing.
- D. The Article VII Arbitrator may, on his/her own motion, or upon motion filed by the accused, determine that charges are not sufficiently specific and that they will be dismissed unless the accuser amends them to provide sufficient specificity.

- E. The accused may move for summary dismissal of the charges on the ground that the accuser does not have evidence sufficient to sustain the charges and thus there is no need for a full hearing. On receipt of such a motion, the Article VII Arbitrator shall afford the accuser an opportunity to identify evidence that would sustain the charges. If the Article VII Arbitrator concludes, following that opportunity, that the accuser does not have evidence sufficient to sustain the charges, the Article VII Arbitrator may grant summary dismissal of the charges.
- F. If at any time during the pendency of the charges, the Article VII Arbitrator determines (whether on his/her own motion or the motion of the accused) that the conduct furnishing the basis for the charges is protected by this Constitution and/or by law (including the LMRDA Bill of Rights), the Article VII Arbitrator shall have the authority to dismiss the charges addressed to such protected conduct.
- G. No ex-parte communication may be had with the Article VII Arbitrator either by the accused, the accuser or by the APFA, or any member of the APFA except with respect to scheduling, location and like administrative matters.
- H. The decision of the Article VII Arbitrator shall be final and binding upon the accused and the accuser.

#### **Section 7. COSTS:**

- A. Initial costs of the Article VII proceedings shall be borne by the APFA in accordance with the provisions of Article V of this Constitution.
- B. In the event a charge is dismissed by the Article VII Arbitrator, or in the event the Article VII Arbitrator does not sustain a charge, up to one-half (1/2) of the fees and expenses of the Article VII Arbitrator and all administrative costs to the APFA relative to that charge may be levied against the accuser by the APFA upon completion of charge proceedings brought under Section 1.H of this Article VII.
- C. In the event the Article VII Arbitrator sustains a charge, costs of the proceedings shall be paid by the APFA and may be offset by a fine levied against the accused in an amount determined by the Arbitrator, if a fine was requested by the accuser.
- D. In the event that it becomes necessary to enforce an Article VII Arbitration award through judicial proceedings, attorney's fees for those judicial proceedings may be paid or reimbursed by the APFA to the appropriate party seeking such enforcement.



**Section 8. INTERNAL REMEDIES:**

Members, officers and representatives shall exhaust internal remedies under this Article VII for a period not to exceed four months prior to taking any legal action against members, officers or representatives of the APFA with respect to matters cognizable as charges under this Article VII.

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# The APFA Policy Manual

*Established in accordance with  
Article III of*

**THE APFA CONSTITUTION**

*by*

**THE APFA BOARD OF  
DIRECTORS**

MARCH 14, 1992



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## Preamble

This Policy Manual for the Association of Professional Flight Attendants is established pursuant to Article III, Section 2.C. of the APFA Constitution.

All previous policies of the Association established by the Board of Directors that are in conflict with any provision of this Policy Manual shall be deemed null and void by the approval of this Policy Manual by the Board of Directors of the APFA.

This Policy Manual shall remain in effect unless and until altered, added to, deleted from or amended by action of the Board of Directors pursuant to Article III, Section 3.L(1) and (2) of the APFA Constitution.

This Policy Manual became effective April 1, 1992. A major revision of this Policy Manual became effective April 1, 1997 and shall remain in effect unless and until altered, added to, deleted from or amended by action of the Board of Directors pursuant to Article III, Section 3.L.(1) and (2) of the APFA Constitution.

A record of any subsequent revisions, alterations or amendments to this Policy Manual shall note the date of approval by the Board of Directors and will be kept in the Office of the National Secretary.



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## **SECTION 5**

### **TRIP REMOVAL AND EXPENSE POLICY**

**POLICY STATEMENT:** The APFA encourages the voluntary participation of all members in the day-to-day running of the organization. It is anticipated that members who participate in APFA activities and functions will do so from a desire to help improve their working conditions and to better their Union.

The APFA recognizes that the organization cannot function solely by the voluntary efforts of its members. Financial policies herein are structured to diminish any financial penalty that a member may incur as a result of providing Union services to Flight Attendants. It is not the intent of this policy for any individual to experience financial gain.

#### **A. APPLICABILITY OF TRIP REMOVAL / EXPENSE POLICY PROVISIONS**

1. All provisions contained in this policy shall be applicable to all APFA members, except where specifically designated to apply to APFA Representatives only (see Section 5.A.3.).
2. No exceptions to this policy shall be made without the written approval and authorization of two (2) National Officers.
3. Ad Hoc Members of the Executive Committee shall be considered "representatives" for the purpose of this policy.
4. This policy presumes throughout that all business and activities of the individuals incurring expenses and / or trip removals will be performed with the approval of one (1) or more authorized individuals and such business will be for the purpose of furthering the objectives of the APFA, and for the benefit of the bargaining unit.
5. Expenses may be challenged and / or denied if submitted without proper substantiation such as receipts or documentation, or if the expense itself appears excessive or unreasonable. In such case, the National Treasurer shall advise the Executive Committee of the situation and the representative / member has the right to appeal by petition to the Executive Committee / Board of Directors, in accordance with paragraph B. below.

#### **B. RIGHT TO PETITION THE EXECUTIVE COMMITTEE / BOARD OF DIRECTORS**

1. Any member who wishes to appeal the application of this policy may do so to the APFA Executive Committee. Any member who wishes to appeal the ruling of the Executive Committee regarding the application of this policy may do so to the APFA Board of Directors, except rulings regarding late expense reports. The APFA Executive Committee decision regarding the appeal of late submission of expense reports shall be final and binding.
2. All requests to appeal or to otherwise request consideration for an exception to this policy must be in writing and sent by certified mail to the National Treasurer.
3. Appeals shall be placed on the Agenda of the next regularly scheduled Executive Committee meeting provided;

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8. The accrued credited time shall be cash-converted in the month following the required work for which Payback is requested, provided that the request is submitted in accordance with the provisions of I.9. below.
9. The hourly rate to be used for cash conversion shall be the straight hourly rate according to the representative's seniority pay scale.
10. Members of a Negotiating Committee may take their payback of accrued time in either actual corresponding consecutive vacation days off, or they may have the credited time converted into cash as provided herein.
11. Paragraph D.6. above notwithstanding, a Negotiator involved in pre-Section 6 preparation or active Section 6 Negotiations may receive Payback up to eighty-five (85) hours upon authorization and approval of the National President.
12. If both the Base President and Base Vice President are scheduled to take a Company vacation at the same time, either representative may take his / her payback of accrued time in actual corresponding consecutive vacation days off. Vacation should be taken within ninety (90) days. Vacation must be taken in that fiscal year and must be taken within that person's term of office.
13. If a National Chair is involved in an APFA project, or an emergency situation exists that requires a National Chair to perform work on behalf of APFA when otherwise scheduled for Company vacation, the National Chair may opt to take his / her payback of accrued time in actual corresponding consecutive vacation days. Prior approval by two (2) National Officers is necessary to exercise this option. Vacation should be taken within ninety (90) days. Vacation must be taken in that fiscal year and must be taken within that Chair's term of office.
14. If a Regional Representative is involved in an APFA project, or an emergency situation exists that requires a Regional Representative to perform work on behalf of APFA when otherwise scheduled for Company vacation, the Regional Representative may opt to take his / her payback of accrued time in actual corresponding consecutive vacation days. Prior approval by two (2) National Officers is necessary to exercise this option. Vacation should be taken within ninety (90) days. Vacation must be taken in that fiscal year and must be taken within that Regional Representative's term of office.

#### **E. SPECIAL ASSIGNMENT FEE (SAF) POLICY**

1. Intent of the SAF
  - a. The intent of the Special Assignment Fee (SAF) is to offer payment to representatives for the days that they conduct APFA business in excess of their normal scheduled bid line. Amounts paid under this arrangement are reportable as wages on the representative's W-2 and are subject to withholding and payment of employment taxes.
  - b. Representatives may be required to conduct APFA business on layovers / sit time in an effort to meet the needs at their base and shall be offered SAF payment for hours worked since no trip removal would apply.
2. SAF Verification

- a. One (1) National Officer must verify that an SAF has been authorized as provided in E.3. and / or E.6. below and is otherwise consistent with APFA policy and budgetary considerations.
- 3. SAF Authorization
  - a. A National Officer may authorize payment of an SAF for any reason consistent with this policy.
  - b. National Chairs and Base Presidents may authorize payment of an SAF to the extent allowed by their respective budgets, subject to verification by a National Officer.
  - c. Payment of any SAF to a member and charged to a base budget must be authorized by the respective Base President.
- 4. SAF Rates
  - a. Daily SAF
    - (1) If a representative performs work for the APFA, and is not otherwise paid for that day's work by means of an APFA Paid Trip Removal as provided for in paragraph C. above, or by Leave / Vacation Payback as provided in paragraph D. above, such representative shall receive the Daily SAF for work performed in accordance with the following schedule:
 

One (1) to two (2) hours:	\$10
More than two (2), to five (5) hours:	\$20
More than five (5), to eight (8) hours:	\$25
More than eight (8), to eleven (11) hours:	\$30
More than eleven (11) hours:	\$40
  - b. Weekly SAF
    - (1) If a representative works less than one (1) hour in any one (1) day, such time may be combined with time worked on other days in the same week. The maximum SAF that will be credited in any one (1) week, under the weekly rate, will be one hundred and twenty-five dollars (\$125).
  - c. Monthly SAF
    - (1) Minimum Monthly SAF is authorized in accordance with the following schedule:
      - (a) Base Presidents and Base Vice Presidents, calculated on a headcount as follows:



Headcount	Base President	Base Vice President
1 - 124	\$100	\$ 65
125 - 249	130	100
250 - 499	185	135
500 - 749	225	185
750 - 999	250	250
1000 - 1249	300	300
1250 - 1499	350	350
1500 +	400	400

- (b) Representatives and National Chairs authorized and utilizing a full month trip removal: \$400 minimum, but not to exceed the \$500 maximum.
- (c) National Officers and Regional Representatives: \$400 minimum, but not to exceed the \$500 maximum.
- (d) Minimum Monthly SAF payments shall not be withheld without approval of the Executive Committee.

(2) Assignment of SAF

- (a) A representative who is authorized to receive a Minimum Monthly SAF may assign payment of his / her Minimum Monthly SAF to another representative or member who is not otherwise eligible for a minimum monthly SAF or whose minimum monthly SAF is less than the amount being assigned.
  - [1] Such assignment must be made in writing to the National Treasurer and signed by the representative making the assignment.
  - [2] Such assignment shall be permitted only when a representative, otherwise eligible for a minimum monthly SAF, is not able to perform his / her normal duties because of a temporary absence as a result of vacations, leaves, or alternate Union responsibilities.
  - [3] The assignment shall be effective for one (1) month only unless renewed in writing.
- (b) In no case shall a representative or member receive more than one (1) SAF in any one (1) month.

(3) Maintaining an Office Outside Residence

- (a) A National Officer, Regional Representative, National Chair, Base President and / or Base Vice President who is required to maintain an APFA office outside of his / her place of residence shall be paid an additional two hundred fifty dollars (\$250) per month over and above the minimum monthly SAF



provided above, or the actual SAF subject to reimbursement, whichever is greater.

- (b) Payment shall be prorated in increments of weeks, not to exceed four (4) weeks. Payment will be verified by documentation of office use on said Representative's weekly expense report.

(4) Maximum Monthly SAF

- (a) The maximum monthly SAF that may be paid is five hundred dollars (\$500).

5. Information Returns Required by Law

- a. The APFA shall file information returns with respect to the payment of any SAF as required by law and the APFA and the member each shall be responsible for any applicable tax liabilities on any SAF payment made by the APFA.

6. SAF Calendar

- a. A detailed daily calendar must be kept and submitted with the claim for the SAF payment. Payment will be made for work actually performed, including travel time. An overnight stay away from place of residence will not automatically entitle a member to the maximum daily SAF.

**F. MEAL EXPENSES / MEAL EXPENSE ALLOWANCE (MEA)**

1. Per Diem MEA Away From Residence

a. Per Diem Rate (Accountable Plan)

- (1) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA when away from their residence for one (1) or more nights at the Collective Bargaining Agreement Domestic Per Diem rate while traveling domestically and the Collective Bargaining Agreement International Per Diem rate while traveling internationally, for each hour they are away from their residence.

b. Per Diem Session

- (1) A National Officer may authorize an APFA function as a "Per Diem Session", as defined in Section 1.A.12. of this Policy Manual, for the purposes of this policy. The MEA does, however, apply up to the start time and following the conclusion of such session.

2. Actual MEA at Residence

- a. On days s/he is not trip removed, the APFA will reimburse a representative actual meal expenses at his / her residence city to the limit provided in F.2.a.(1) below when it is necessary to conduct APFA business during such meal, or when a representative is required by the transaction of APFA business to meet during a normal meal time.

- (1) Allowable MEA at Residence City is as follows:

Breakfast up to:	\$ 6.00
Lunch up to:	\$10.00
Dinner up to:	\$17.00
Snack up to:	\$ 3.00

- (2) In addition to the required receipt, all such MEA reimbursements shall require the representative to note the name(s) of the other individual(s) meeting during the meal time and the nature of the APFA business being conducted.

- b. The provisions of F.2.a. above shall also apply to those Flight Attendants who participate in second and / or third level hearings (such as the grievant or witness(es)), and to other members when authorized by a National Officer.
- c. The maximum "Actual MEA at Residence" that will be reimbursed to a member shall be seventy-five dollars (\$75) per week or three hundred dollars (\$300) per month.

3. Guaranteed MEA at Residence

- a. On days a representative is both trip removed by and performing work for the APFA at his / her residence city, such representative will receive a "Guaranteed MEA at Residence" in lieu of any actual MEA at residence as provided in F.2. above.
- b. The "Guaranteed MEA at Residence" shall be paid at the rate of twenty-five dollars (\$25) per day.
- c. The maximum "Guaranteed MEA at Residence" that will be paid to a member shall be seventy-five dollars (\$75) per week or three hundred dollars (\$300) per month.
- d. National Officers, Regional Representatives, National Chairs and other representatives who are authorized a full month trip removal or the equivalent shall receive a "Guaranteed MEA at Residence" of three hundred dollars (\$300) per month.

4. Calculation of MEA

- a. National Officers, Regional Representatives, National Chairs and other representatives who are authorized a full month trip removal or the equivalent (e.g. "Payback" as provided in paragraph D. above) shall receive a minimum MEA of three hundred dollars (\$300) per month.



- b. The combination of "Per Diem MEA Away from Residence" as provided in F.1. above, "Actual MEA at Residence" as provided in F.2. above, and "Guaranteed MEA at Residence" as provided in F.3. above, shall not be capped.
  - c. MEA Expenses will be calculated and paid in the following order:
    - (1) "Per Diem MEA Away from Residence," then the remaining balance owed, if any, will be paid as
    - (2) "Actual MEA at Residence," then the remaining balance owed, if any, will be paid as
    - (3) "Guaranteed MEA at Residence."
5. Business Related Expenses
- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
    - (1) Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to limitation or revocation of this privilege.
    - (2) In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the "guest" for the purposes of this provision.
    - (3) The reimbursement of a Business-Related Expense shall not count against a representative's maximum MEA.

**G. OTHER EXPENSES**

1. Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him / her for actual expenses and losses, and is exclusive of other applicable reimbursement provisions in this policy.
- a. Air Travel
    - (1) A member shall be reimbursed the service charge for pass travel on an AAG airline while on APFA business.
      - (a) Only Coach Class service charges will be reimbursed, unless the member could not be accommodated in Coach Class.
      - (b) For flights scheduled in excess of five (5) hours, Business Class travel is authorized for representatives only. First



Class travel is authorized when Business Class is unavailable.

- (2) When a member has employee pass travel benefits through a family member on other airlines, and when permissible, the service charge shall be reimbursed when travel may not be accomplished in an expeditious manner on an AAG airline, or when traveling to / from an off-line city, or at the convenience of the member eligible for such employee pass travel benefits.
- (3) Full fare / reduced rate travel on a non-AAG airline may only be reimbursed in those instances when the conduct of APFA business requires travel to either an off-line city or when service between two cities does not exist on an AAG airline.
  - (a) Prior approval should be obtained from two (2) National Officers for such travel.
  - (b) The lowest possible fare category must be used, including industry reduced rate discounts ("ID75", "ID50", etc.), if available for APFA business use.
  - (c) Payment for tickets may be obtained in advance if sufficient need for advanced ticketing can be demonstrated and prior authorization is given.
  - (d) Copies of tickets and boarding passes must be attached to the expense report to receive reimbursement.
  - (e) Travel in a class other than Coach Class must be approved by two (2) National Officers.

**b. Ground Transportation**

**(1) At Residence City**

**(a) Mileage**

- [1] A representative shall be reimbursed for mileage at the IRS standard mileage rate for travel to conduct APFA business, not to exceed a monthly maximum of one thousand (1000) miles. All mileage must be recorded on an "APFA Mileage Log" and submitted per Section 5.1.5. of this Policy Manual.
- [2] Mileage shall not be reimbursed for travel between a representative's residence and an APFA office that has been provided for the primary use of the representative for a period in excess of 31 days.

**(b) Public Transportation**

- [1] When public transportation (bus and / or subway) charges are claimed in lieu of mileage provided in G.1.b.(1)(a)[1] above, actual costs will be reimbursed.
- [2] Airport bus / limo (or taxi when other options are unavailable / more costly) will be reimbursed for travel to / from an airport for the purposes of travel away from the city of residence for APFA business or for emergency situations.

(2) Away from Residence City

- (a) Any member shall be reimbursed for reasonable actual taxi fare, limo and / or bus, rental car and related expenses, and / or public transportation while conducting APFA business away from their city of residence.
- (b) Rental car and related expenses must be with the prior approval of a National Officer.

c. Parking and Tolls

- (1) Any member shall be reimbursed for actual parking and tolls incurred while conducting APFA business, whether at or away from their residence city, except
- (2) where employee parking is provided and the authorized member has access to such parking, the free parking facility should be used.
- (3) Should circumstances warrant that a member park in a pay parking lot at an airport in lieu of available free parking, such member will be reimbursed.

d. Hotel Accommodations

- (1) Any member shall be reimbursed for lodging expenses incurred when required to remain overnight at a place other than his / her place of residence to conduct authorized APFA business. Prior approval must be obtained if direct billing of the hotel is requested, except that lodging expenses will not be reimbursed for base representatives performing base work while at their home base.
- (2) No member may authorize direct or indirect billing to APFA for any hotel room, meeting room or lodging without the prior approval of a National Officer.
- (3) To avoid unnecessary payment, representatives whose lodging has been authorized must directly inform the APFA National Secretary or the hotel in a timely manner to cancel a hotel reservation. If a representative fails to do so, s/he will be personally responsible for the hotel costs incurred.
- (4) A member shall be provided with single room accommodations whenever possible while attending to APFA business.

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- (1) The APFA will provide personalized business cards for the following representatives:
  - (a) Members of the Executive Committee
  - (b) Base Presidents, Base Vice Presidents
  - (c) National Chairs
  - (d) Regional Representatives
  - (e) All members of National Committees
  - (f) Base Presidents may authorize Business Cards for Base Council Members to be charged to the respective budget.
- (2) APFA "generic" business cards will be provided at no charge to other representatives upon request; personalized business cards may be ordered at cost through the Office of the National Treasurer.
- (3) Business cards for all representatives will be of the same format and style.
- (4) A union bug will be displayed on all business cards.
- i. Base Computers
  - (1) Base Presidents and Base Vice Presidents will be provided with computers which may be leased or purchased by the APFA.
  - (2) Each computer will conform to guidelines set forth in Section 8.G. of this Policy Manual.
- j. Miscellaneous
  - (1) Reasonable and necessary tips to porters and drivers are authorized for representatives.
  - (2) Reasonable and necessary cleaning and laundry expenses are authorized to any representative who is away from his / her residence to conduct APFA business in excess of seven (7) consecutive days.

#### H. RELOCATION

1. Upon assuming office / appointment, National Officer(s) / Chair(s) shall be expected and, for the purposes of this policy, shall be considered to reside in the DFW area. The DFW area, for purposes of this policy, shall not exceed a seventy-five (75) mile radius from APFA Headquarters.
2. If, on the date of his / her election, a National Officer does not reside in the DFW area, s/he shall be reimbursed for actual moving expenses for relocation from / to his / her place of permanent primary residence by a certified mover as a condition of employment with the APFA, to a maximum of ten thousand (\$10,000) per round-trip move.



- a. The provisions of H.2. above must be exercised within six (6) months following the end of the last term of office of the National Officer and must be substantiated by invoice or bill.
3. A National Officer may choose not to relocate to the DFW area but may, instead, choose to accept suitable furnished accommodations paid for by the APFA as provided in H.7. below. If a National Officer accepts such accommodations in lieu of relocation expenses as provided in H.2. above, the following will apply:
- a. S/he must maintain permanent primary residency outside the DFW area. Prior to taking office, s/he must provide APFA's legal counsel with proof of such residency and continue to provide such proof every year prior to the apartment lease renewal, for the duration of their term. Once legal counsel has verified and determined that the National Chair qualifies for APFA furnished corporate accommodations, s/he will notify the Board of Directors via email that verification of proof of residency has been accomplished. Proof of residency can be established by the following, but not limited to:
- (1) At least one (1) document from Group A and two (2) from Group B in Table 5a below.

▪ Table 5a	
▪ Group A	▪ Group B
<ul style="list-style-type: none"> <li>▪ Mortgage</li> <li>▪ Mortgage statement</li> <li>▪ Home title</li> <li>▪ Rental / lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Utility bill no more than thirty (30) days old (electricity, gas, water, cable or landline telephone)</li> <li>▪ Copy of most current tax return</li> <li>▪ Driver's license or State ID</li> <li>▪ Vehicle registration</li> <li>▪ Bank statement</li> <li>▪ Voter registration card</li> </ul>

- b. S/he will be reimbursed only for Coach AAL service charges, or the equivalent on another airline, for travel between his / her permanent primary residence city and DFW; and
- c. S/he is not authorized to claim any other expenses as provided in this policy for the purpose of personal travel between DFW and his / her permanent residence.
4. In addition to H.2 or H.3 above, the APFA will reimburse a National Officer / Chair for the cost of relocating one (1) personal automobile to / from the DFW area. Such reimbursement will be either for actual shipping charges or the applicable mileage rate by the APFA Board of Directors.

5. Accommodations as provided in H.7. below may be offered to National Chairs in lieu of hotel accommodations when the city of residence of the Chair is outside of the DFW area and when travel to / from APFA Headquarters would require regular and continuous overnight stays away from his / her permanent primary residence. If a National Chair accepts such accommodations, the following will apply:

- a. S/he must maintain permanent primary residency outside the DFW area. Prior to assuming their position, s/he must provide APFA's legal counsel with proof of such residency and continue to provide such proof every year prior to the apartment lease renewal, for the duration of their term. Once legal counsel has verified and determined that the National Chair qualifies for APFA furnished corporate accommodations, s/he will notify the Board of Directors via email that verification of proof of residency has been accomplished. Proof of residency can be established by the following, but not limited to:

- (1) At least one (1) document from Group A and two (2) from Group B in Table 5b below.

Table 5b	
Group A	Group B
<ul style="list-style-type: none"> <li>▪ Mortgage</li> <li>▪ Mortgage statement</li> <li>▪ Home title</li> <li>▪ Rental / lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Utility bill no more than thirty (30) days old (electricity, gas, water, cable or landline telephone)</li> <li>▪ Copy of most current tax return</li> <li>▪ Driver's license or State ID</li> <li>▪ Vehicle registration</li> <li>▪ Bank statement</li> <li>▪ Voter registration card</li> </ul>

- b. S/he will be reimbursed only for coach AAL service charges, or the equivalent on another airline, for travel between his / her permanent residence city and DFW, and
- c. S/he is not authorized to claim any other expenses as provided in this policy for the purpose of personal travel between DFW and his / her permanent residence.
6. Furnished accommodations shall be no smaller than a one-bedroom apartment.
7. Incoming National Officers and other Representatives shall normally be able to use outgoing National Officers' or Representatives' furniture and furnishings rather than replace these items with each change of National Officer or Representative, subject to the right to reasonably refuse furniture and furnishings.
- a. Furniture, furnishings / appliances / equipment in need of replacement shall be replaced as needed.



- b. Outgoing National Officers or Representatives shall have the option of purchasing at fair market value the furniture / furnishings / appliances / equipment that were provided in their APFA accommodations.
  - c. Any furniture / furnishing / appliances / equipment that is not purchased by an outgoing National Officer or Representative shall be sold through a consignment store. Any such items that are not sold within six (6) months of receipt by the consignment store shall be donated to charity.
8. Following specific elections and/or appointments, the following APFA entities shall be responsible for providing copies of this Section 5.H.
- a. The NBC Chairperson shall mail a copy of the above to any elected / duly elected National Officer(s) within ten (10) business days following the certification of any National Officer elections
  - b. The newly-elected / duly elected National President shall hand deliver / mail a copy of the above to the Appointed / Reappointed Chairs within five (5) business days following their appointment.

#### **I. SUBMISSION OF EXPENSE REPORTS**

1. All expense reports must be submitted to the APFA National Treasurer on APFA expense report forms.
  - a. Requests for SAF as provided in 5.E. above, and "Guaranteed MEA at Residence" as provided in F.3. above must be claimed on the Weekly Activity Report form.
  - b. Requests for "Payback" pursuant to 5.D. above must be claimed on the Weekly Activity Report form.
  - c. Requests for reimbursement of "Per Diem MEA Away From Residence," as provided in F.1. above, or "Actual MEA at Residence," as provided in F.2. above, and all requests for direct reimbursement of expenses as provided in this policy, must be claimed on the Miscellaneous Expense Report form.
2. One form should be filled out for each week during which expenses are being requested / claimed. Requests for Per Diem or other actual expenses for a month may be combined on a single Miscellaneous Expense Report form when practical to do so.
3. When a member is claiming SAF or expense reimbursement for less than a full month, all calculations should be on a daily or weekly basis, as applicable. When a member is claiming SAF or expense reimbursement for a full month (28 or more days), all calculations should be on a monthly basis.
4. Requests for reimbursement of telephone expenses, including long-distance telephone, message units / toll calls, must be submitted on the Miscellaneous Expense Report form and long distance / toll calls must be documented by a telephone log showing the date, time, and name and telephone number of the party called. Individual long-distance charges in excess of five dollars (\$5.00) must include the reason or nature of the call.



5. Requests for direct reimbursement of expenses other than telephone should be submitted on the Miscellaneous Expense Report form at the same time as the request for SAF is submitted on the Weekly Activity Report form, for the week during which the expense was incurred. Receipts, vouchers, mileage log forms and / or tickets must accompany all requests for direct reimbursement of expenses.
6. All requests for expense payment or reimbursement of any kind for a given month, except for requests for reimbursement of telephone charges, must be submitted together for that month and must be accompanied by the member's final Company Activity Record (HI1) for that month.
7. The nature of the Union business for which the expense reimbursement is being requested shall be indicated on the Weekly Activity Report and the corresponding Miscellaneous Expense Report. The name of the representative authorizing the activity for which the expenses were incurred must be included.
8. All reports must be signed and dated when submitted.
9. Payment of Expenses
  - a. Expense reports will be paid at the end of each month following the month in which the work is performed, if submitted as provided in I.9.b. below. In order for payment to be made in a timely manner, all expense reports must be date-stamped at APFA Headquarters prior to the 16th of the calendar month in which they are to be paid (e.g., an expense report for July expenses must be date-stamped between August 1st and August 15th to be paid on August 30th).
  - b. Any expense reports date-stamped between the 16th day and the 30th / 31st day of a calendar month will be paid on the 15th day of the following month.
  - c. The APFA will reimburse telephone bills within fifteen (15) days of receipt of the expense report and supporting documentation.
10. Time Limit for Submission of Expense Reports
  - a. Expense reports submitted more than three (3) months after the end of the calendar month in which they are incurred shall not be considered by the APFA National Treasurer. If the last day of the three-month period falls on a weekend or holiday, the report may be submitted on the next business day. If the member appeals, the APFA Executive Committee may allow late submission based on extenuating circumstances. The decision of the Executive Committee will be final and binding.

#### J. TRANSITION EXPENSE

1. Some officers are eligible for both incoming and outgoing transition expenses.
  - a. National Officers are eligible for transition expenses as outlined in Section 6.B.6. of this Policy Manual.
  - b. National Officers are also eligible for relocation-related expenses as outlined in 5.H. above.

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## SECTION 6

### NATIONAL OFFICER SALARIES AND BENEFITS

**POLICY STATEMENT:** The APFA recognizes the sacrifices of a flight attendant when they become a National Officer. They relinquish a great deal of personal time to better the life of all APFA members. Flight attendants serving in any union position are held to a higher standard by our members. Our National Officers are, first and foremost, rank-and-file members serving the membership and as such shall be entitled to the same benefits as those afforded to our line flight attendants when they retire.

#### A. SALARIES

1. National Officers shall be considered salaried employees of the APFA and, as such, shall be entitled to annual salaries, payable semi-monthly.
  - a. The salary of the National President shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for a flight attendant based on 116 hours monthly.
  - b. The salary of the National Vice President shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for a flight attendant based on 110.5 hours monthly.
  - c. The salary of the National Secretary shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for a flight attendant based on 105 hours monthly.
  - d. The salary of the National Treasurer shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for a flight attendant based on 105 hours monthly.
2. Increase in salaries shall correspond with percentage increases and any lump sum payment(s) negotiated for the most senior Flight Attendant in the employ of AAL.

#### B. BENEFITS

1. Vacation
  - a. National Officers shall be entitled to thirty-five (35) days of paid vacation to be taken in each fiscal year while in office or the seniority respective vacation allowance s/he is contractually entitled to as a Flight Attendant, whichever is greater. This calculation will not be based on Article 6.H. of the Collective Bargaining Agreement referring to "trips missed." This vacation allowance may be taken at the discretion of the National Officer, however, not more than fourteen (14) consecutive days may be taken at any one time.
  - b. National Officers should schedule their vacations so as to avoid the simultaneous absence of more than two (2) National Officers. In no case shall the National President and the National Vice President be on vacation simultaneously.



- c. At the end of a fiscal year, up to fourteen (14) days of any unused APFA vacation allowance, as provided in B.1.a. above, will be paid to the National Officer at a rate prorated on the National Officer's annual salary for the period of APFA vacation allowance owed, less applicable state and federal taxes. If the National Officer is entitled to more than thirty-five (35) days vacation, up to twenty-one (21) days will be paid as stated above.
- d. At the beginning of a term, the National Officer should be paid by the Company for any vacation allowance accrued as a Flight Attendant.
- e. At the end of a term, the APFA will ensure that the departing National Officer is provided with the vacation time to which s/he would ordinarily be entitled as if the National Officer had been an active Flight Attendant for the previous and current calendar years. If the company does not provide the out-going Officer with the appropriate vacation allowance accrued for the previous and current calendar year the APFA will:
  - (1) Provide payback of accrued vacation allowance to be taken in corresponding consecutive vacation days in a block(s) that is seniority respective at his / her domicile per Article 6.I of the AA / APFA Collective Bargaining Agreement, within 13 months following the end of the applicable term; or
  - (2) The APFA will provide the departing National Officer with the appropriate Flight Attendant vacation by means of cash reimbursement at a rate prorated on the National Officer's annual salary for the period of APFA vacation allowance owed less applicable state and federal taxes..

2. Retirement and Insurance

- a. The APFA will pay that portion of retirement and insurance normally paid by the employer if provision is made for employer payment under the applicable provisions of the Collective Bargaining Agreement covering the National Officers.

3. Sick Time

a. Sick Leave

- (1) The APFA will absorb the payroll costs associated with the absence of a National Officer due to minor illness or injury for up to eighteen (18) cumulative days per year.

b. Short Term Disability

- (1) The APFA will absorb the payroll costs associated with the absence of a National Officer due to an incapacitating illness or injury for up to thirty (30) consecutive days.

c. Long Term Disability (LTD)

- (1) Long Term Disability is defined as any medical absence in excess of thirty (30) consecutive days.



- (2) Any National Officer in a disability status shall be paid LTD pay protection by the APFA in accordance with the following schedule:
  - (a) Full pay for the first thirty (30) days,
  - (b) three-quarters (3/4) monthly average of annual salary for the second thirty (30) days,
  - (c) One-half (1/2) monthly average of annual salary for the third thirty (30) days and thereafter, until a vacancy is declared and the National Officer position is filled.
- (3) LTD pay protection shall begin after a thirty (30) consecutive day absence, pursuant to B.3.b. above.
- (4) All National Officers shall be required to obtain LTD Insurance during their terms of office. If available, such insurance should be obtained through the Company. If such insurance is not available through the Company, comparable insurance shall be obtained elsewhere. The APFA will absorb the costs of LTD Insurance premiums for those individuals.
- (5) LTD pay protection shall be offset by any APFA-funded LTD insurance benefits, State Disability or Worker's Compensation benefits received by the National Officer.
- (6) Prior to a National Officer completing one hundred and twenty (120) days of LTD, the Executive Committee shall review the circumstances of the absence and recommend to the APFA Board of Directors whether a vacancy should be declared for the position.

d. Offset / Loss of Sick Time

- (1) At the end of each fiscal year, the APFA will provide each National Officer a lump sum payment to offset the loss of Company sick time that would otherwise have been credited to his / her Company sick bank account.
  - (a) The lump sum payment will be calculated according to the following formula: Annual salary divided by 365 days (daily rate), multiplied by twelve (12) days per year.
  - (b) The yearly lump sum payment will be reduced by the daily rate cash value of one (1) day for each day used as a result of being on LTD status during that year and / or for each day used after the eighteen (18) cumulative days of sick leave during that year have been taken.

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## **SECTION 7**

### **BUDGET / FINANCIAL POLICIES**

**POLICY STATEMENT:** In furtherance of the objectives of the APFA the Board of Directors hereby adopts the following policies and procedures as a means of protecting the assets of the APFA by ensuring the use of sound budgetary practices.

#### **A. COMPOSITION OF THE APFA BUDGET COMMITTEE**

1. There shall be a minimum of four (4) permanent members of the Budget Committee.
2. The National Treasurer will chair the Committee and will be counted as a permanent member.
3. The Board of Directors will, in accordance with Article IX of the APFA Constitution, nominate and appoint the Budget Committee at the Annual Convention.
4. The National Treasurer may retain an accounting professional to assist and advise the Budget Committee.

#### **B. RESPONSIBILITIES OF THE APFA BUDGET COMMITTEE**

1. The Budget Committee will meet annually to review the financial status of the APFA and to prepare a proposed annual budget.
2. Not less than one-hundred and twenty (120) days prior to the end of the fiscal year, the National Treasurer shall prepare and send a Budget Request Form to each National Officer, Base President and National Chair or the heads of committees or departments, as appropriate, to solicit requests for the following year's appropriations.
3. The proposed annual budget must be completed and forwarded to the Executive Committee and the Board of Directors no less than thirty (30) days prior to the scheduled date of the Annual Convention.
4. The Budget Committee may meet periodically to review and propose adjustments to the budget as well as assist the National Treasurer in the preparation of the quarterly report pursuant to Article III, Section 6.E.(8) of the APFA Constitution.

#### **C. "LETTING" OF CONTRACTS**

1. In addition to the budgetary approval of the Board of Directors, a single expenditure estimated to exceed \$25,000, excluding payloss and other normal operating expenditures, shall require prior approval by the Executive Committee. Contracts for such expenditures shall be awarded following a sealed bid process.
2. Members may be given preference in the "letting" of contracts provided they meet all specified requirements and qualifications being sought.

#### **D. SEEKING UNIONIZED PURCHASES / SERVICES**

1. The APFA will support its fellow union brothers and sisters by seeking business purchases and services by those companies whose workers are represented by labor unions. Preference will be given to such companies. However, competency, quality, and cost will be considerations. If no such companies are available, the APFA may seek other choices in their purchases and services.

#### **E. NEPOTISM / CONFLICT OF INTEREST**

1. It is in the best interest of the APFA to avoid the potential of perceived or actual improprieties and conflicts of interests between the Flight Attendants, representatives and employees of the APFA and the vendors with whom the Union does business. To this end, the following policy is established:
  - a. When entering into agreements for goods and / or services, the appropriate Officer, or his / her designee, shall ask prospective vendors whether they have relatives or domestic partners who are APFA Flight Attendants, representatives or employees of the APFA, or employees of AAG or any of its subsidiaries.
  - b. Should a vendor who is related to or is a domestic partner of an APFA Flight Attendant, representative or employee of the APFA, or an employee of AAG or any of its subsidiaries, be retained to provide goods and / or services to the Union, the contracting Officer shall promptly advise the remaining members of the Executive Committee.
  - c. Any vendor discovered to have falsified information concerning his / her relationship with an APFA Flight Attendant, representative or employee of the APFA, or an employee of AAG or any of its subsidiaries, shall be subject to termination of his / her contract with the Union.
2. It is also in the best interest of the APFA to avoid the potential of perceived or actual improprieties and conflicts of interests between APFA Representatives and his / her spouse, domestic partner and / or family member. Under no circumstances shall any representative, in this position, provide sole approval for any APFA financial expenses.

#### **F. BALANCED BUDGET**

1. Pursuant to the requirements of Article IV, Section 4. D. of the APFA Constitution, the National Treasurer should recommend adjustments to the annual budget so as to maintain at all times a balanced budget.
2. When a base budget is exceeded by twenty percent (20%) for a three (3) month period, the overage will be reported to the Budget Committee. The Base President will make every effort to bring their budget back in line in a three (3) month period.



3. When a headquarters budget is exceeded by twenty percent (20%) for a three (3) month period, a detailed explanation of the overage from the representative in charge of the respective budget will be reported via Board Packet to the Budget Committee, the Board of Directors and the Executive Committee.
4. The National Treasurer will be the designated National Officer to report the General and Administrative budget.
5. Pursuant to the requirements of Article III, Section 4.K.(15)b. of the APFA Constitution, the Executive Committee is deemed to be given prior approval by the majority of voting Board of Directors to reduce base budgets by not more than ten percent (10%) under the following circumstances:
  - a. Year-To-Date dues / fees revenue has not met budgeted revenue projections;
  - b. All APFA departments, committees and functions will be subjected to an equal budget reduction, on a percentage basis;
  - c. Such budget reduction is equal to and not more than, on a percentage basis, the actual reduction in projected revenue, adjusted to account for fixed costs which cannot be reduced; and
  - d. The notification requirements of Article III, Section 4.K.(15) are met.

#### **G. FINANCIAL STATEMENTS**

1. Financial records may be accessed for viewing by members through their Base President or through the Office of the National Treasurer. These records are not for publication or distribution and are deemed confidential. No copies of financial statements or audits, other than those sent to the Board of Directors, Executive Committee and National Chairs, shall be distributed. The only exception to this section is that the annual audit may be published in whole or in part on the "members only" section of the APFA website. In addition, the "members only" section of the website may contain information on the financial status of the Union.

#### **H. INSTITUTIONAL STOCK**

1. The Association will maintain two hundred (200) shares of Company stock for institutional purposes whenever such stock is available. The future utilization of this stock will be directed by the APFA Board of Directors, as to be in the best interest of the APFA.

#### **I. EQUITY CLAIM DECISION**

1. The APFA Board of Directors will determine a process to sell, trade or exercise stock options that are awarded to APFA and the allocation of funds if appropriate.

## **SECTION 17**

### **ARTICLE VII ADMINISTRATIVE POLICIES AND PROCEDURES**

**POLICY STATEMENT:** In furtherance of the objectives of the APFA, the Board of Directors hereby adopts the following policy for the governance of administrative procedures for hearings conducted under Article VII of the APFA Constitution.

#### **A. FILING OF CHARGES**

1. When charges have been filed in accordance with Article VII, Section 2. of the APFA Constitution, the parties must be notified by registered mail, return receipt requested. If the letter is not claimed by the addressee, this, nevertheless, shall be deemed sufficient notice of the proceedings.

#### **B. EXECUTIVE COMMITTEE REVIEW OF CHARGES**

1. Refer to the APFA Constitution, Article VII, Section 3.

#### **C. APPEAL WHEN CHARGES DISMISSED BY EXECUTIVE COMMITTEE**

1. The dismissal of charges deemed invalid by the Executive Committee, pursuant to Article VII, Section 3.D., because they address conduct protected by the APFA Bill of Rights and / or law, or fail to state a proper claim, may be appealed to the Arbitrator within seven (7) calendar days from the time that the accuser receives notice of the Executive Committee's dismissal.
2. The appeal shall be made in writing and sent to the National Secretary who shall forward it to the Arbitrator and send a copy to the accused.
3. The accused shall have fourteen (14) calendar days to respond to the appeal in writing.
4. The response shall be sent to the National Secretary, who shall forward it to the Arbitrator and send a copy to the accuser.

#### **D. RETIREMENT OF ONE OF THE PARTIES**

1. If a charged member retires while the charge is pending, the charge will be administratively dismissed.
2. If the member who filed the charge retires while the charge is pending, the charge will be administratively be dismissed.

#### **E. SETTING THE DATE, TIME AND LOCATION OF THE HEARING**

1. After the Executive Committee determines that the charges are timely and specific and the Executive Committee or the Arbitrator determines that the charges are valid, the National Secretary shall set the date, time and place of the hearing.
2. At least thirty (30) days in advance of the hearing, the National Secretary shall mail the accused, the accuser and the Arbitrator notice of the date, time and place of the hearing along with a copy of the charges.



**F. MOTIONS**

1. Motions may be based on untimeliness, lack of specificity, failure to state a violation, or claiming that the conduct that is furnishing the basis for the charges is protected.
2. Motions to dismiss
  - a. Motions to dismiss, which are filed pursuant to Article VII, Section 6.C., D. and / or F. of the APFA Constitution, wherein the accused makes the claim that the charges were untimely, do not allege a violation cognizable as charges, are not sufficiently specific, and / or that the conduct furnishing the basis for the charges are protected by the APFA Bill of Rights and / or law, shall be submitted in writing to the National Secretary within fourteen (14) calendar days following the Executive Committee's determination that the charges are timely, specific and valid.
  - b. The National Secretary shall forward such motion or motions to the Arbitrator and send a copy to the accuser.
    - (1) The accuser shall have fourteen (14) calendar days to respond in writing to such motion or motions.
    - (2) The response shall be sent to the National Secretary who shall forward it to the Arbitrator and send a copy to the accuser.
3. Motions for Summary Dismissal
  - a. Motions for summary dismissal filed under Article VII, Section 6.E. of the APFA Constitution by either party to the charges must be filed in writing with the National Secretary no later than fourteen (14) calendar days before the date of the hearing.
  - b. Upon receipt, the National Secretary shall, immediately, forward the motion to the Arbitrator and the other party(ies).
    - (1) A response may be filed with the National Secretary no later than seven (7) calendar days before the hearing.
    - (2) The response shall be sent to the National Secretary who shall forward it to the Arbitrator and send a copy to the moving party.
4. Other Motions
  - a. The time limit requirements for motions, not specifically detailed herein, shall be left to the discretion of the Article VII Arbitrator.
5. Timeliness of Motions
  - a. Nothing herein shall restrict the Article VII Arbitrator's authority to extend the time limit requirements of any motion, so long as all parties are promptly advised of such extension.



**G. EXCHANGE OF DOCUMENTS AND WITNESS LISTS**

1. Not later than thirty (30) calendar days prior to the scheduled date set for the hearing, the representatives designated by the accused and the accuser shall exchange all documents they intend to enter in support of their respective positions and make available, in writing, the names of all witnesses they intend to summon whom they deem necessary to the dispute.
2. The parties have a duty to exchange any changes, alterations and / or additions to the document and witness lists promptly throughout the thirty (30) days preceding the hearing.
3. Nothing, herein, shall require the representative of either party to present the aforementioned documents or to summon the aforementioned witnesses during the course of the hearing.
4. The exchange of documents and witness lists shall be coordinated through the Office of the National Secretary.

**H. STENOGRAPHIC RECORD**

1. The National Secretary shall make arrangements for a stenographer to be present at the hearing.
2. The transcript shall be the official record of the proceeding and shall be made available to the Arbitrator.
3. Parties who request a copy of the transcript are responsible for paying their share of the costs of such record.

**I. ATTENDANCE AT HEARINGS**

1. Members in good standing of the APFA are entitled to attend hearings.
2. The Arbitrator may exclude any witness or witnesses, other than a party or other essential person during the testimony of other witnesses.
3. The Arbitrator shall determine whether any other person may attend the hearing.

**J. ADJOURNMENTS**

1. The Arbitrator, when there is good cause, may adjourn or postpone the hearing upon the request of a party or on the Arbitrator's own initiative.

**K. ORDER OF PROCEEDINGS**

1. The Arbitrator shall determine how the case can best be presented so that all parties have a fair opportunity to contest the issues.
2. The Arbitrator shall afford each party a full opportunity for the presentation of relevant proof.

**L. OATHS**

1. All witnesses are required to testify under oath.

**M. HEARING IN THE ABSENCE OF A PARTY**

1. The hearing may proceed in the absence of any party, who, after due notice, fails to be present or fails to obtain an adjournment.
2. The Arbitrator may not issue a decision based solely on the default of a party.
3. The Arbitrator shall require the other party to submit such evidence as may be required to make an award.

**N. EVIDENCE**

1. The parties may offer such evidence as they desire and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the dispute.
2. The Arbitrator may subpoena witnesses and documents independently or upon the request of any party.
3. The Arbitrator shall be the judge of the relevancy and materiality of the evidence offered and conformity to the legal rules of evidence shall not be necessary.
4. Where possible the parties should stipulate to facts and circumstances which are not in dispute.

**O. INITIAL COSTS OF PROCEEDINGS**

1. The Board of Directors interprets Article VII, Section 7.A. of the APFA Constitution to include the following costs and expenses:
  - a. Reasonable and ordinary costs associated with administering the proceedings, i.e. telephone, postage, copying, etc.;
  - b. The costs associated with obtaining the official transcript of the proceedings,
  - c. The fees and expenses of the Article VII Arbitrator;
  - d. The costs associated with providing the hearing room; and
  - e. Trip removal costs and expenses associated with the attendance of the accused, his / her representative, the accuser and his / her representative.
2. The payment of attorney fees and expenses, and expenses associated with the attendance of any witnesses, are specifically excluded.

**P. FINAL ARGUMENTS**

1. The parties may submit oral arguments at the conclusion of the evidentiary hearing or written arguments at a time specified by the Arbitrator.

**Q. REOPENING THE HEARING**



1. At any time prior to the issuance of the Arbitrator's decision, a hearing may be reopened.

- a. A hearing may be reopened only upon the showing of good cause.

**R. RELEASE OF DOCUMENTS FOR JUDICIAL PROCEEDINGS**

1. At the time the Arbitrator issues a decision, the Arbitrator shall forward all documentary evidence offered at the hearing and the official transcript to the National Secretary.
2. The National Secretary shall, upon the written request of a party, furnish the party with copies of any documentary evidence that may be required in judicial proceedings related to the hearing.
3. The party making this request shall bear the costs of copying the documents.

**S. COMMUNICATION WITH THE ARBITRATOR**

1. There shall be no ex parte communications between the parties and the Arbitrator.
2. All communications shall be directed to the National Secretary for distribution to the opposing party and the Arbitrator, unless there is an advance agreement to allow direct mailing.
3. If the parties agree to use direct mailing, they shall mail to all parties and to the National Secretary copies of all correspondence sent to the Arbitrator.
4. The mailing of copies shall be indicated by a "cc" notation under the signature in the letter or the cover letter for another document sent to the Arbitrator.

**T. SUSPENSION OF AN OFFICER OR ELECTED REPRESENTATIVE DURING THE PENDENCY OF CHARGES**

1. When an officer or elected representative who is suspended by the Board of Directors demands an expedited resolution of the charges, pursuant to Article VII, Section 4.B. of the APFA Constitution, the National Secretary shall notify the Arbitrator and the accuser by telephone of the demand and subsequently send a confirming letter.
2. All parties shall cooperate in doing whatever is necessary to expedite the resolution of the charges.

**U. INTERPRETATION AND APPLICATION OF RULES**

1. The Arbitrator shall interpret and apply these rules.

**V. PROCEDURES FOR FILING OF COMMENTS BY INTERESTED PARTIES**

1. Interested parties may file written comments on motions to dismiss, motions for summary dismissal and at the conclusion of the evidentiary hearing.



2. Unless other arrangements have been agreed to in advance, interested party comments should be submitted to the National Secretary for distribution to the parties during the time for response to a motion or within the time specified by the Arbitrator for his / her written argument.

**Subject:** (none)

**Date:** Wednesday, November 18, 2020 at 6:27:00 PM Central Standard Time

**From:** melchinery@aol.com

**To:** National Secretary

**CC:** National President, National Vice President, National Treasurer, hussar.michelle@dol.gov, sel27995@gmail.com

Please consider this the formal filing of internal charges in accordance with Article VII 2. A. of the APFA Constitution and other Policy Manual violations against former APFA President Bob Ross.

After years of being denied the ability to view the underlying financial documentation of the Bob Ross administration, we were finally permitted to see specific documents that prove a plethora of violations of the APFA Policy Manual as well as Constitutional violations. Our ability to see these documents started on September 24, 2020. However, after 16 hours over two days, we still have not seen half of the documentation requested. Due to a lack of access to available dates to continue our investigation, we are forced to file on what has been uncovered due to time limits. We will undoubtedly have to file further Article VII charges.

The violations include many general violations of the constitution and policy manual as well as specific sections listed later in these charges.

Article VII Section 1.F: Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Policy Manual.

Article II Section 2: Obligations of members:

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties and responsibilities.

Article I Section 7: Definitions (for clarification of the above violations)

E. "Duty" means an obligation of performance, care, or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.

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O. "Responsibility:" means an obligation to answer for a duty to act or failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.

Q. "Rights" means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.

#### **Violation: Misuse of Credit Card**

Bob Ross took advantage of many of the policies that govern how an APFA National Officer gets paid. The first of the most prevalent violations are the misuse of the APFA credit card that is issued to each of the National Officers. As is dictated by Federal law as well as APFA policy, the credit card is for business expenses, not for personal use. We have found examples of Mr. Ross charging the rental of a moving truck on August 2016 to the APFA, after being reimbursed for moving his belongings from Sacramento. There are other examples of his purchasing sheets, blankets, pillows, mattresses, furniture as well as smaller items such as toilet paper and candy. All of these items as well as many other personal items, such as tools, were purchased with the union credit. None of the items were inventoried with the Treasurer and none were returned to the APFA upon the cessation of his term of office. Furthermore, as Mr. Ross elected to relocate to the DFW area and was afforded a moving expense reimbursement, he was not entitled to buy any furnishings using APFA funds

These purchases violate Policy Manual Section 5 G: Business related expenses:

Actual out-of- pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member , but to compensate him /her for actual expenses and losses, and is exclusive of other applicable reimbursement provisions in this policy.

#### **Violation: Rental Car**

It was also recently found in our investigation that Mr. Ross also used the APFA to direct bill a rental car when he initially relocated to the Dallas area. He had charged the APFA for mileage per the relocation language in the Policy Manual after driving his personal car from Sacramento to Dallas in early July, 2016. The rental agreement spanned six months, from May to October, 2016 and APFA was billed at least \$6230. Ross continued to have a rental car for more than 3 months after his car was in DFW.

• Policy Manual Section 5.H. Relocation states:

4. In addition to H.2 or H.3 above, the APFA will reimburse a National Officer/Chair for the cost of relocating one (1) personal automobile to/from the DFW area. Such reimbursement will be either for actual shipping charges or the applicable mileage rate by the APFA Board of Directors.

**Violation: Reimbursement**

Additionally, Mr. Ross claimed the mileage reimbursement on his APFA monthly expense form. Per federal law, the purpose of the mileage reimbursement is to compensate for the wear and tear on the automobile used for business purposes. Since APFA was paying for the rental car during this period, it would seem Ross was inappropriately billing APFA for wear on the rental car. Additionally, the bylaws make clear that travel from a personal residence to an APFA office is limited to 31 days.

Section 5.G: Other Expenses:

b. (1) a. Mileage:

2. Mileage shall not be reimbursed for travel between the representatives' residence and an APFA office that has been provided for the primary use of the representative for a period in excess of 31 days.

**Violation: SAF/MEA and meal expenses**

The following is another large subsection of abuse involving the SAF/MEA sections of Section 5: Trip Removal and Expense Policy. The intent of the policy is outlined in the policy statement.

Policy Manual Section 5: Trip removal and Expense Policy:

.....Financial policies herein are structured to diminish any financial penalty that a member may incur as a result of providing Union services to Flight Attendants. It is not the intent of this policy for any individual to experience financial gain.

As stated earlier, Mr. Ross used the APFA credit card for his own personal use. In the brief time we were allowed to look over the APFA credit card statements, there were an excessive amount of meals charged on the credit card by Mr. Ross. It was referenced multiple times that the participants at these meals were the National Officers, the Officers and their Regional Representatives, as well as when Bob Ross ate alone.

This violates Section 5.F:

5. Business Related Expenses:

a. Representatives are authorized to pay for and to be reimbursed for the meal, snack, or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.

1. Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to the limitation and revocation of this privilege.

2. In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the "guest" for the purposes of this provision.

**Violation: Payout of Vacation--Change of formula to include MEA and SAF**

Another abuse of power was demonstrated when the long standing formula used for the vacation and sick time payout was changed during the Bob Ross administration. This was not an official change in the Policy Manual; it was changed in practice by the previous Treasurer in the Ross administration Eugenio Vargas. The result was to pay the National Officers in the Ross administration money they were not entitled to according to Policy Manual language. Quite simply, it included MEA and SAF as well as the office stipend in with wages when considering the reimbursement of sick and vacation time. This embezzlement was uncovered when the pay for the Vice President, Secretary and Treasurer was looked at more closely by the next administration long after the Ross administration had left office.

However, only when we were allowed to look at the financial records within the last was it discovered that the fourth recipient of these "overpayments" was in fact Bob Ross. We had previously been told repeatedly Ross did not receive it. The three National Officers were required to pay this windfall back to the Union, but to this day, Mr. Ross has not been required to do so.

This action violates Policy Manual Section 5.E.4: SAF rates and 5.F.1: Meal Expense Allowance (MEA)

a. Daily SAF:

- (1) If a Representative performs work for the APFA, and it is not otherwise paid for that day's work by means of an APFA Paid Trip Removal.....such representative shall receive the Daily SAF for work performed in accordance with the following schedule....



a. Per Diem Rate (Accountable Plan)

(1) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA.....

Also required for the purposes of calculating how much Special Assignment Fee (SAF) an officer receives, it is imperative that the officer fill out the required weekly paperwork that would ascertain how many hours were worked for the APFA.

The intent of the SAF is explained in Section 5.E.1.

a. The intent of the SAF is to offer payment to the representatives for the days that they conduct APFA business in excess of their normal scheduled bid line.

Calculation for the National Officers' SAF is specifically delineated in Section 5.E.4.c.

c. National Officers and Regional Representatives: \$400 minimum, but not to exceed \$500 maximum.

Section 5.F.c. also clarifies that MEA is also calculated and not just considered salary:

The maximum "Actual MEA at Residence" that will be reimbursed shall be seventy-five dollars (\$75) per week or three hundred dollars (\$300) per month.

As is evident in the language, the weekly activity sheets must be the reference to what the officer should make. It is clear the language did not automatically award a National Officer these payments of MEA and SAF without verification of hours worked.

Bob Ross frequently did not fill out the weekly forms to collect this money, therefore was in violation of Section 5.I: Submission of Expense Reports:

1. All expense forms must be submitted to the APFA National Treasurer on APFA expense report forms.

a. Requests for SAF as provided in 5.E. above, and "Guaranteed MEA at Residence" as provided in F.3. above must be claimed on the weekly activity Report Form.

**Violation: Maintaining an Office.**

Following in the same vein of payments that Bob Ross collected which he was not entitled to as a part of his salary, is Section 5.E.3: Maintaining an Office Outside of Residence:

(a) a National Officer, Regional Representative, National Chair, Base President, and/or Base Vice President, JCBA Specialist or Strategic Communications Specialist who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred and fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.

Mr. Ross did not maintain an office outside his residence. The main APFA office is maintained by the APFA, NOT by Mr. Ross. No part of the building is his responsibility to maintain; therefore he requested compensation that is not due to him.

**Violation: Payout of Vacation Days.**

The Policy Manual is also clear on the yearly payout of vacation days.

Section 6: National Officer Pay and Benefits

B.1: Vacation

c. At the end of a fiscal year, up to fourteen (14) days of any unused APFA vacation allowance.....will be paid to the National Office at a rate prorated on the National Officers' annual salary for the period of APFA vacation allowance owed.

In the year of 2017, the documentation showed that Bob Ross was paid out for seventeen (17) days of vacation, three (3) days above what is allowed per the Policy. It was also unclear if he was paid another stipend of vacation pay of 35 days for his "end of term payout" in 2017. Mr. Ross was paid out for 29 days of "unused vacation" and 20.44 days for the "end of term" for 2018. How is it possible to get two "end of term" vacation payouts two years in a row? There is also some question as to whether Mr. Ross was paid at his annual salary level for his vacation payout, as dictated by the APFA Policy Manual.

**Violation: Buyout**

As has been recently revealed, former President Bob Ross received a "buyout" from the APFA Board of Directors, and was compensated for leaving office. Indeed, he collected more money than if he had remained in office for the four (4) months left in his term. However,

once Mr. Ross left office, he asked for and collected from the APFA compensation in two forms he was not entitled to per the "agreement." One form of compensation which he received every month was MEA and SAF and Maintaining an Office Outside Residence. Mr. Ross continued to collect one thousand and fifty dollars (\$1050) a month.

He collected these payments for the months of: March, April, May, June and July of 2018. This stipend is clearly hinged on reimbursement related to work and not part of the National Officer salary. To accept this money is in clear violation of the intent of the Policies written that allows a representative extra compensation for working hours above and beyond their scheduled workload. By taking this money this is another violation of the Section 5 policies outlined above.

### **Remedy**

The relief sought in this multitude of offenses that all were designed to inflate pay and benefits that Mr. Ross received are the following:

1. An independent forensic audit must be accomplished to verify how much was fraudulently siphoned from the APFA payroll, and Mr. Ross must pay this money back.
2. Mr. Ross must be considered a member in bad standing and barred from representing American Airlines Flight Attendants for a period of 10 years.
3. There must be changes to the Policy Manual so that this amount of financial malfeasance is not allowed to happen again.
4. There must be a separate body of trained individuals that do not hold regular positions with the APFA that can oversee the annual audit.
5. The APFA credit card must have independent oversight as to whether the charges are reimbursable or appropriate pre the APFA Constitution, and Federal Law. This oversight must go beyond the National Officers, as they have a vested interest in allowing inappropriate charges to be paid.
6. There should be yearly training in the LMRDA added to the continuing education of APFA officers.
7. This award must be disseminated to the line flight attendants with an explanation to encourage oversight of their dues dollars.
8. Any and All Other Relief deemed necessary.

Melissa Chinery LAX  
Sandra Lee LAX

**Liz Marko**

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**From:** melchinery@aol.com  
**Sent:** Friday, November 20, 2020 10:47 AM  
**To:** National Secretary  
**Cc:** National President; National Vice President; National Treasurer; hussar.michelle@dol.gov; sel27995@gmail.com  
**Subject:** Vargas Charges

Please consider this the formal filing of internal charges in accordance with Article VII 2. A. of the APFA Constitution and other Policy Manual violations against former Treasurer Eugenio Vargas.

After years of being denied the ability to view the underlying financial documentation of the Bob Ross administration, we were finally permitted to see specific documents that prove a plethora of violations of the APFA policy Manual as well as Constitutional violations. Our ability to see these documents started on September 24, 2020. However, after 16 hours over two days, we still have not seen half of documentation requested. Due to a lack of access to available dates to continue our investigation, we are forced to file on what has been uncovered due to time limits.

In addition to the specific sections of the Constitution and Bylaws, Vargas violated the following general duties.

Article VII Section 1.F:

Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Policy Manual.

Article II Section 2: Obligations of members:

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties and responsibilities.

Article I Section 7: Definitions (for clarification of the above violations)

E. "Duty" means an obligation of performance, care, or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.

M: "Privilege" means a benefit or advantage enjoyed by a person in any position or fiduciary capacity with or as a member of the APFA.

O. "Responsibility:" means an obligation to answer for a duty to act or failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.

Q. "Rights" means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.

**Violation: Credit Card Expenses**



As is dictated by Federal law as well as APFA policy, the credit card is to be used for business expenses, not for personal use. Mr. Vargas charged a rental car for the week at a cost of almost \$700 when he was on vacation in Madrid, Spain. It was confirmed by the present National Treasurer that Mr. Vargas was indeed on vacation when the charges occurred on August 11, 2016. He also charged meals on at least two other trips to Madrid.

These purchases violate:

Policy Manual Section 5 G: Business related expenses: Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him /her for actual expenses and losses, and is exclusive of other applicable reimbursement provisions in this policy.

Article VII Section 1.F: Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Policy Manual.

#### **Violation: Meal Expenses**

The following is another large subsection of abuse involving the SAF/MEA sections of Section 5: Trip Removal and Expense Policy. The intent of the policy is outlined in the policy statement. Policy Manual Section 5: Trip removal and Expense Policy: .....Financial policies herein are structured to diminish any financial penalty that a member may incur as a result of providing Union services to Flight Attendants. It is not the intent of this policy for any individual to experience financial gain.

As stated earlier, Treasurer Vargas used the APFA credit card for his own personal use. In the brief time we were allowed to look over the APFA credit card statements, we uncovered many meals charged by Vargas that did not meet the requirements of the meal provisions of the APFA policy manual. Vargas charged meals where he was the only identified person or the other participants were also being paid MEA. The policy is clear that meals may only be reimbursed on rare and limited occasions when entertaining outside guests and in no instance when all participants are already receiving meal expenses. This is to prevent double dipping by having APFA pay MEA for meal expenses and then also pay for a representative's meals. This violates Section 5.F:

#### **5. Business Related Expenses:**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack, or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
  1. Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to the limitation and revocation of this privilege.
  2. In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the "guest" for the purposes of this provision.

#### **Violation of Duties as Treasurer.**

As National Treasurer Vargas had a duty to safeguard APFA funds and to ensure proper procedures were in place. Vargas failed to ensure proper oversight of credit cards for the national officers. In addition, Vargas allowed the National Officers to receive thousands of dollars in overpayments for sick and vacation payouts. While other National Officers were instructed to repay the funds, Vargas claimed Bob Ross had not been overpaid. Our recent review of the financials uncovered Ross was indeed overpaid thousands of dollars for sick and vacation payouts.

Additionally, former President Bob Ross received a “buyout” from the APFA Board of Directors, and was compensated for leaving office. Vargas failed to properly oversee Ross’ payments and allowed Ross to receive payment for MEA, SAF and Maintaining an Office Outside Residence all of which are not part of basic salary.

Finally, thousands of dollars of furniture, including furniture purchased by Vargas, is unaccounted for. As Treasurer Vargas had an obligation under the APFA constitution and federal labor law to safeguard union property. On one receipt dated 5/18/16 under Vargas's union credit card charges we found a purchase for \$8733.89 at Ashley furniture. There is no record or inventory of that furniture nor can the furniture be located. The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done

The Treasurer has the responsibility to safeguard the funds of the APFA union members as outlined in Article III Section 6.E. of the APFA Constitution: Duties of the Treasurer: The Treasurer shall be responsible for the care and custody of the funds and securities of the APFA.

### **Remedy**

The relief sought is:

1. An independent forensic audit must be accomplished to verify how much was fraudulently siphoned from the APFA payroll, and Mr. Vargas must pay this money back.
2. Mr. Vargas must be considered a member in bad standing and barred from representing American Airlines Flight Attendants for a period of 10 years.
3. There must be changes to the Policy Manual so that this amount of financial malfeasance is not allowed to happen again.
4. There must be a separate body of trained individuals that do not hold regular positions with the APFA that can oversee the annual audit.
5. Any and All Other Relief deemed necessary.

Melissa Chinery LAX  
Sandra Lee LAX

Sent from AOL Mobile Mail  
Get the new AOL app: [mail.mobile.aol.com](mailto:mail.mobile.aol.com)



**Association of Professional  
Flight Attendants**  
Representing the Flight Attendants of American Airlines

November 19, 2020

**VIA Return Receipt, Certified Mail #7019 1120 0000 0179 3052**

Robert Ross  
4701 Hayloft Ct  
El Dorado Hills, CA 95762

RE: Article VII Charges

Dear Bob:

In accordance with Article VII of the APFA Constitution this letter is to inform you that the enclosed charges have been filed against you by Melissa Chinery and Sandra Lee. Enclosed is a copy of the charges which were received on November 18, 2020.

I am also enclosing a copy of Article VII of the APFA Constitution and Section 17 of the APFA Policy Manual. These documents describe APFA's Article VII procedures.

Sincerely,

Josh Black  
APFA National Secretary

Cc: Melissa Chinery  
Sandra Lee  
APFA Board of Directors  
APFA Executive Committee  
Article VII File

1004 West Euless Blvd • Euless, Texas 76040

Tel: (817) 540-0108 • Fax: (817) 540-2077 • [www.apfa.org](http://www.apfa.org)



**APPX. 0075**



**Subject:** (none)

**Date:** Tuesday, November 24, 2020 at 12:31:50 PM Central Standard Time

**From:** melchinery@aol.com

**To:** National Secretary

**CC:** Hussar.Michelle@dol.gov, National Treasurer, Sandra Lee, National Vice President, National President

Please consider this the formal filing of internal charges in accordance with Article VII 2. A. of the APFA Constitution and other Policy Manual violations against former APFA President Bob Ross.

After years of being denied the ability to view the underlying financial documentation of the Bob Ross administration, we were finally permitted to see specific documents that prove a plethora of violations of the APFA Policy Manual as well as Constitutional violations. Our ability to see these documents started on September 24, 2020. However, after 16 hours over two days, we still have not seen half of the documentation requested. Due to a lack of access to available dates to continue our investigation, we are forced to file on what has been uncovered due to time limits. We will undoubtedly have to file further Article VII charges.

The violations include many general violations of the constitution and policy manual as well as specific sections listed later in these charges.

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**Violation: Misuse of Credit Card**

Bob Ross took advantage of many of the policies that govern how an APFA National Officer gets paid. The first of the most prevalent violations are the misuse of the APFA credit card that is issued to each of the National Officers. As is dictated by Federal law as well as APFA policy, the credit card is for business expenses, not for personal use. We have found examples of Mr. Ross charging the rental of a moving truck on August 2016 to the APFA, after being reimbursed for moving his belongings from Sacramento. There are other examples of his purchasing sheets, blankets, pillows, mattresses, furniture as well as smaller items such as toilet paper and candy. All of these items as well as many other personal items, such as tools, were purchased with the union credit. None of the items were inventoried with the Treasurer and none were returned to the APFA upon the cessation of his term of office. Furthermore, as Mr. Ross elected to relocate to the DFW area and was afforded a moving expense reimbursement, he was not entitled to buy any furnishings using APFA funds

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However, only when we were allowed to look at the financial records within the last was it discovered that the fourth recipient of these “overpayments” was in fact Bob Ross. We had previously been told repeatedly Ross did not receive it. The three National Officers were required to pay this windfall back to the Union, but to this day, Mr. Ross has not been required to do so.

This action violates Policy Manual Section 5.E.4: SAF rates and 5.F.1: Meal Expense Allowance (MEA)

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(1) If a Representative performs work for the APFA, and it is not otherwise paid for that day's work by means of an APFA Paid Trip Removal.....such representative shall receive the Daily SAF for work performed in accordance with the following schedule....

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(1) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA.....

Also required for the purposes of calculating how much Special Assignment Fee (SAF) an officer receives, it is imperative that the officer fill out the required weekly paperwork that would ascertain how many hours were worked for the APFA.

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Section 5.F.c. also clarifies that MEA is also calculated and not just considered salary:

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As is evident in the language, the weekly activity sheets must be the reference to what the officer should make. It is clear the language did not automatically award a National Officer these payments of MEA and SAF without verification of hours worked.

Bob Ross frequently did not fill out the weekly forms to collect this money, therefore was in violation of Section 5.I: Submission of Expense Reports:

1. All expense forms must be submitted to the APFA National Treasurer on APFA expense report forms.

a. Requests for SAF as provided in 5.E. above, and "Guaranteed MEA at Residence" as provided in F.3. above must be claimed on the weekly activity Report Form.

#### **Violation: Maintaining an Office.**

Following in the same vein of payments that Bob Ross collected which he was not entitled to as a part of his salary, is Section 5.E.3:

Maintaining an Office Outside of Residence:

(a) a National Officer, Regional Representative, National Chair, Base President, and/or Base Vice President, JCBA Specialist or Strategic Communications Specialist who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred and fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.

Mr. Ross did not maintain an office outside his residence. The main APFA office is maintained by the APFA, NOT by Mr. Ross. No part of the building is his responsibility to maintain; therefore he requested compensation that is not due to him.

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The Policy Manual is also clear on the yearly payout of vacation days.

Section 6: National Officer Pay and Benefits

B.1: Vacation

c. At the end of a fiscal year, up to fourteen (14) days of any unused APFA vacation allowance.....will be paid to the National Office at a rate prorated on the National Officers' annual salary for the period of APFA vacation allowance owed.

In the year of 2017 the documentation showed that Bob Ross was paid out for seventeen (17) days over policy limit for unused vacation. It was also unclear if he was paid another stipend of vacation pay of 35 days for his "end of term payout" in 2017. Mr. Ross was paid out for 29 days of "unused vacation" and 20.44 days for the "end of term" for 2018. How is it possible to get two "end of term" vacation payouts two years in a row? There is also some question as to whether Mr. Ross was paid at his annual salary level for his vacation payout, as dictated by the APFA Policy Manual.

**Violation: Buyout**

As has been recently revealed, former President Bob Ross received a "buyout" from the APFA Board of Directors, and was compensated for leaving office. Indeed, he collected more money than if he had remained in office for the four (4) months left in his term. However, once Mr. Ross left office, he asked for and collected from the APFA compensation in two forms he was not entitled to per the "agreement." One form of compensation which he received every month was



MEA and SAF and Maintaining an Office Outside Residence. Mr. Ross continued to collect one thousand and fifty dollars (\$1050) a month.

He collected these payments for the months of: March, April, May, June and July of 2018. This stipend is clearly hinged on reimbursement related to work and not part of the National Officer salary. To accept this money is in clear violation of the intent of the Policies written that allows a representative extra compensation for working hours above and beyond their scheduled workload. By taking this money this is another violation of the Section 5 policies outlined above.

## **Remedy**

The relief sought in this multitude of offenses that all were designed to inflate pay and benefits that Mr. Ross received are the following:

1. An independent forensic audit must be accomplished to verify how much was fraudulently siphoned from the APFA payroll, and Mr. Ross must pay this money back.
2. Mr. Ross must be considered a member in bad standing and barred from representing American Airlines Flight Attendants for a period of 10 years.
3. There must be changes to the Policy Manual so that this amount of financial malfeasance is not allowed to happen again.
4. There must be a separate body of trained individuals that do not hold regular positions with the APFA that can oversee the annual audit.
5. The APFA credit card must have independent oversight as to whether the charges are reimbursable or appropriate pre the APFA Constitution, and Federal Law. This oversight must go beyond the National Officers, as they have a vested interest in allowing inappropriate charges to be paid.
6. There should be yearly training in the LMRDA added to the continuing education of APFA officers.
7. This award must be disseminated to the line flight attendants with an explanation to encourage oversight of their dues dollars.
8. Any and All Other Relief deemed necessary.

Melissa Chinery LAX

Sandra Lee LAX

Sent from AOL Mobile Mail

Get the new AOL app: [mail.mobile.aol.com](mailto:mail.mobile.aol.com)

**Subject:** Vargas

**Date:** Tuesday, November 24, 2020 at 12:20:51 PM Central Standard Time

**From:** melchinery@aol.com

**To:** National Secretary

**CC:** National President, National Treasurer, Sandra Lee, National Vice President,  
Hussar.Michelle@dol.gov

Please consider this the formal filing of internal charges in accordance with Article VII 2. A. of the APFA Constitution and other Policy Manual violations against former Treasurer Eugenio Vargas.

After years of being denied the ability to view the underlying financial documentation of the Bob Ross administration, we were finally permitted to see specific documents that prove a plethora of violations of the APFA policy Manual as well as Constitutional violations. Our ability to see these documents started on September 24, 2020. However, after 16 hours over two days, we still have not seen half of documentation requested. Due to a lack of access to available dates to continue our investigation, we are forced to file on what has been uncovered due to time limits.

In addition to the specific sections of the Constitution and Bylaws, Vargas violated the following general duties.

Article VII Section 1.F:

Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Policy Manual.

Article II Section 2: Obligations of members:

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties and responsibilities.

Article I Section 7: Definitions (for clarification of the above violations)

E. "Duty" means an obligation of performance, care, or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.

M: "Privilege" means a benefit or advantage enjoyed by a person in any position or fiduciary capacity with or as a member of the APFA.

O. "Responsibility:" means an obligation to answer for a duty to act or failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.

Q. "Rights" means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.



**Violation: Credit Card Expenses**

As is dictated by Federal law as well as APFA policy, the credit card is to be used for business expenses, not for personal use. Mr. Vargas charged a rental car for the week at a cost of almost \$700 when he was on vacation in Madrid, Spain. It was confirmed by the present National Treasurer that Mr. Vargas was indeed on vacation when the charges occurred on August 11, 2016. He also charged meals on at least two other trips to Madrid.

These purchases violate:

Policy Manual Section 5 G: Business related expenses: Actual out-of- pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him /her for actual expenses and losses, and is exclusive of other applicable reimbursement provisions in this policy.

Article VII Section 1.F: Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Policy Manual.

**Violation: Meal Expenses**

The following is another large subsection of abuse involving the SAF/MEA sections of Section 5: Trip Removal and Expense Policy. The intent of the policy is outlined in the policy statement. Policy Manual Section 5: Trip removal and Expense Policy: .....Financial policies herein are structured to diminish any financial penalty that a member may incur as a result of providing Union services to Flight Attendants. It is not the intent of this policy for any individual to experience financial gain.

As stated earlier, Treasurer Vargas used the APFA credit card for his own personal use. In the brief time we were allowed to look over the APFA credit card statements, we uncovered many meals charged by Vargas that did not meet the requirements of the meal provisions of the APFA policy manual. Vargas charged meals where he was the only identified person or the other participants were also being paid MEA. The policy is clear that meals may only be reimbursed on rare and limited occasions when entertaining outside guests and in no instance when all participants are already receiving meal expenses. This is to prevent double dipping by having

APFA pay MEA for meal expenses and then also pay for a representative's meals. This violates Section 5.F:

**5. Business Related Expenses:**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack, or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
  - 1. Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to the limitation and revocation of this privilege.
  - 2. In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the "guest" for the purposes of this provision.

**Violation of Duties as Treasurer.**

As National Treasurer Vargas had a duty to safeguard APFA funds and to ensure proper procedures were in place. Vargas failed to ensure proper oversight of credit cards for the national officers. In addition, Vargas allowed the National Officers to receive thousands of dollars in overpayments for sick and vacation payouts. While other National Officers were instructed to repay the funds, Vargas claimed Bob Ross had not been overpaid. Our recent review of the financials uncovered Ross was indeed overpaid thousands of dollars for sick and vacation payouts. Also, Mr Vargas overpaid Bob Ross 17 vacation days when he left office.

Additionally, former President Bob Ross received a "buyout" from the APFA Board of Directors, and was compensated for leaving office. Vargas failed to properly oversee Ross' payments and allowed Ross to receive payment for MEA, SAF and Maintaining an Office Outside Residence all of which are not part of basic salary.

Finally, thousands of dollars of furniture, including furniture purchased by Vargas, is unaccounted for. As Treasurer Vargas had an obligation under the APFA constitution and federal labor law to safeguard union property. On one receipt dated 5/18/16 under Vargas's union credit card charges we found a purchase for \$8733.89 at Ashley furniture. There is no record or

inventory of that furniture nor can the furniture be located. The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done

The Treasurer has the responsibility to safeguard the funds of the APFA union members as outlined in Article III Section 6.E. of the APFA Constitution: Duties of the Treasurer: The Treasurer shall be responsible for the care and custody of the funds and securities of the APFA.

### **Remedy**

The relief sought is:

1. An independent forensic audit must be accomplished to verify how much was fraudulently siphoned from the APFA payroll, and Mr. Vargas must pay this money back.
2. Mr. Vargas must be considered a member in bad standing and barred from representing American Airlines Flight Attendants for a period of 10 years.
3. There must be changes to the Policy Manual so that this amount of financial malfeasance is not allowed to happen again.
4. There must be a separate body of trained individuals that do not hold regular positions with the APFA that can oversee the annual audit.
5. Any and All Other Relief deemed necessary.

Melissa Chinery LAX

Sandra Lee LAX

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**Association of Professional  
Flight Attendants**

Representing the Flight Attendants of American Airlines

November 24, 2020

**VIA Return Receipt, Certified Mail #7019 1120 0000 0179 3182**

Robert Ross  
4701 Hayloft Ct  
El Dorado Hills, CA 95762

RE: Article VII Charges

Dear Bob:

In accordance with Article VII of the APFA Constitution this letter is to inform you that the enclosed revised charges have been filed against you by Melissa Chinery and Sandra Lee. Enclosed is a copy of the charges which were received on November 24, 2020.

I am also enclosing a copy of Article VII of the APFA Constitution and Section 17 of the APFA Policy Manual. These documents describe APFA's Article VII procedures.

Sincerely,

Josh Black  
APFA National Secretary

Cc: Melissa Chinery  
Sandra Lee  
APFA Board of Directors  
APFA Executive Committee  
Article VII File

1004 West Euless Blvd • Euless, Texas 76040

Tel: (817) 540-0108 • Fax: (817) 540-2077 • [www.apfa.org](http://www.apfa.org)



**APPX. 0088**



**Association of Professional  
Flight Attendants**

Representing the Flight Attendants of American Airlines

November 24, 2020

**VIA Return Receipt, Certified Mail #7019 1120 0000 0179 3120**

Eugenio Vargas  
1616 Brookhaven Cir  
Bedford, TX 76022

RE: Article VII Charges

Dear Eugenio:

In accordance with Article VII of the APFA Constitution this letter is to inform you that the enclosed revised charges have been filed against you by Melissa Chinery and Sandra Lee. Enclosed is a copy of the charges which were received on November 24, 2020.

I am also enclosing a copy of Article VII of the APFA Constitution and Section 17 of the APFA Policy Manual. These documents describe APFA's Article VII procedures.

Sincerely,

Josh Black  
APFA National Secretary

Cc: Melissa Chinery  
Sandra Lee  
APFA Board of Directors  
APFA Executive Committee  
Article VII File

1004 West Euless Blvd • Euless, Texas 76040

Tel: (817) 540-0108 • Fax: (817) 540-2077 • [www.apfa.org](http://www.apfa.org)



**APPX. 0089**

# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 4
	Maker: Black
	Second: Harris
	Date: 12/01/2020
	Time: 11:51 a.m.

Resolution Name: Chinery-Lee v Ross - Timely

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PXY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9 NO: 0 ABSTAIN: 0 ABSENT: 0

Status: *Passed* ☒ *Failed* ☐ *Tabled* ☐ *Withdrawn* ☐ *Show of Hands* ☐

**WHEREAS**, on November 18, 2020, Melissa Chinery and Sandra Lee filed charges against Bob Ross under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for timeliness, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 18, 2020 charges against Bob Ross are timely.



# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 5
	Maker: Black
	Second: Salas
	Date: 12/01/2020
	Time: 1:45 p.m.

Resolution Name: Chinery-Lee v Ross - Specific

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PXY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9      NO: 0      ABSTAIN: 0      ABSENT: 0

Status: *Passed* ☒    *Failed* ☐    *Tabled* ☐    *Withdrawn* ☐    *Show of Hands* ☐

**WHEREAS**, on November 18, 2020, Melissa Chinery and Sandra Lee filed charges against Bob Ross under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for specificity, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 18, 2020 charges against Bob Ross are specific.

# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 6
	Maker: Black
	Second: Harris
	Date: 12/01/2020
	Time: 1:47 p.m.

Resolution Name: Chinery-Lee v Ross - Valid

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PXY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9 NO: 0 ABSTAIN: 0 ABSENT: 0

Status: *Passed* ☒ *Failed* ☐ *Tabled* ☐ *Withdrawn* ☐ *Show of Hands* ☐

**WHEREAS**, on November 18, 2020, Melissa Chinery and Sandra Lee filed charges against Bob Ross under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for validity, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 18, 2020 charges against Bob Ross are valid.

# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 7
	Maker: Black
	Second: Seelye
	Date: 12/01/2020
	Time: 1:57 p.m.

Resolution Name: Chinery-Lee v Vargas - Timely

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PXY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9 NO: 0 ABSTAIN: 0 ABSENT: 0

Status: *Passed* ☒ *Failed* ☐ *Tabled* ☐ *Withdrawn* ☐ *Show of Hands* ☐

**WHEREAS**, on November 20, 2020, Melissa Chinery and Sandra Lee filed charges against Eugenio Vargas under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for timeliness, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 20, 2020 charges against Eugenio Vargas are timely.



# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 8
	Maker: Black
	Second: Watson
	Date: 12/01/2020
	Time: 2:00 p.m.

Resolution Name: Chinery-Lee v Vargas - Specific

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9 NO: 0 ABSTAIN: 0 ABSENT: 0

Status: *Passed* ☒ *Failed* ☐ *Tabled* ☐ *Withdrawn* ☐ *Show of Hands* ☐

**WHEREAS**, on November 20, 2020, Melissa Chinery and Sandra Lee filed charges against Eugenio Vargas under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for specificity, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 20, 2020 charges against Eugenio Vargas are specific.

# APFA

## EXECUTIVE COMMITTEE MEETING

### 3Q20 EC MEETING

December 1-2, 2020  
APFA Unity Pays Conference Room  
Euless, TX

Resolution Tally Sheet	Resolution #: 9
	Maker: Black
	Second: Watson
	Date: 12/01/2020
	Time: 2:02 p.m.

Resolution Name: Chinery-Lee v Vargas - Valid

YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	Watson	Gluth	Conners	Seelye	Hancock	Treasurer	Secretary	Vice President	President
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PXY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 9 NO: 0 ABSTAIN: 0 ABSENT: 0

Status: *Passed* ☒ *Failed* ☐ *Tabled* ☐ *Withdrawn* ☐ *Show of Hands* ☐

**WHEREAS**, on November 20, 2020, Melissa Chinery and Sandra Lee filed charges against Eugenio Vargas under Article VII of the APFA Constitution; and

**WHEREAS**, Article VII, Section 3 of the APFA Constitution provides that the Executive Committee shall review Article VII charges for validity, and

**WHEREAS**, the Executive Committee has conducted that review.

**BE IT THEREFORE RESOLVED**, that Melissa Chinery's and Sandra Lee's November 20, 2020 charges against Eugenio Vargas are valid.

# APFA

## BOARD OF DIRECTORS MEETING

### SPECIAL BOARD OF DIRECTORS MEETING

January 12, 2021

Via Teleconference

Resolution Tally Sheet	Resolution #:	3
	Maker:	Black
	Second:	Salas
	Date:	01/12/2021
	Time:	5:29 p.m.

Resolution Name: Alternate Article VII Arbitrators

<input type="checkbox"/> AFFECTS POLICY MANUAL:		
YES = Yes	ABS = Abstain	PXY = Proxy Vote
NO = No	N/A = Absent	REC = Recuse
PASS = Pass		

COMMENTS:

	B O S	C L T	D C A	D F W	L A X	L G A	M I A	O R D	P H L	P H X	R D U I	S F O	S T L	PRES — Tie- Breaker
	Milenkovic	Hazlewood	Pennel	De Roxtra	Nikides	Norvell	Trautman	Howard	Kaswinkel	Babi	Sullivan	Schwartz	Martin	Hedrick
YES	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PASS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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REC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YES: 13      NO: 0      ABSTAIN: 0      ABSENT: 0

Status:    *Passed*    ☒    *Failed*    ☐    *Tabled*    ☐    *Withdrawn*    ☐    *Show of Hands*    ☐

**WHEREAS**, Article VII Section 5.A of the APFA Constitution provides that “The Board of Directors shall appoint an arbitrator to resolve all charges filed under this Article VII. The Article VII Arbitrator, once appointed, shall serve until s/he resigns or until the Board of Directors determines to appoint a new Article VII Arbitrator;” and

**WHEREAS**, on October 13, 2010, the APFA Board of Directors appointed Howell Lankford as the Article VII Arbitrator; and



**APFA**

**BOARD OF DIRECTORS MEETING**

**WHEREAS**, Article VII Section 5.B of the APFA Constitution provides that “The Board of Directors may also appoint one or more alternate Article VII Arbitrators who shall have the authority to hear and decide particular charges when the Article VII Arbitrator is not available;” and

**WHEREAS**, on October 13, 2010, the APFA Board of Directors appointed Joan Ilivicky and Rosemary Townley as alternate Article VII Arbitrators; and

**WHEREAS**, Joan Ilivicky is regrettably deceased; and

**WHEREAS**, APFA Constitution Article VII Section 5.C states, in part, that an Article VII Arbitrator is an individual “who has no other prior or current involvement with the APFA;” and

**WHEREAS**, Rosemary Townley has previous involvement with the APFA; and

**WHEREAS**, this involvement with the APFA disqualifies Arbitrator Townley as an alternate Article VII Arbitrator according to APFA Constitution Article VII Section 5.C.

**BE IT THEREFORE RESOLVED**, that Joan Ilivicky and Rosemary Townley be removed as alternate Article VII Arbitrators; and

**BE IT FURTHER RESOLVED**, that the new alternate Article VII Arbitrators are Ruben Armendariz, Lynn Rubinett, and Edward B. Valverde.



## FALL BOARD OF DIRECTORS MEETING



**October 19-20, 2021**

*Marriott Dallas Las Colinas*

<b>Resolution Information</b>	<b>Resolution #: 3</b>											
	<b>Resolution Name: Article VII Arbitrators</b>											
	<b>Status: Pass</b>											
	<b>Maker: Black</b>											
	<b>Second: Trautman</b>											
	<b>Date: 10/20/2021</b>											
	<b>Time: 10:24 a.m.</b>											
	<b>Affects PM: <input type="checkbox"/></b>											
<b>Comments:</b>												
	BOS Milenkovic	CLT Hazlewood	DCA Pennel	DFW Green	LAX Nikides	LGA Santana	MIA Trautman	ORD Wroble	PHL Kaswinkel	PHX Agee	SFO Ross	Pres Hedrick
<b>YES</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>No</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ABS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>N/A</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Yes: 11 No: 0 Abstain: 0 Absent: 0 Show of Hands: <input type="checkbox"/></b>												

**WHEREAS**, Article VII Section 5.A of the APFA Constitution provides that “The Board of Directors shall appoint an arbitrator to resolve all charges filed under this Article VII. The Article VII Arbitrator, once appointed, shall serve until s/he resigns or until the Board of Directors determines to appoint a new Article VII Arbitrator;” and

**WHEREAS**, on October 13, 2010, the APFA Board of Directors appointed Howell Lankford as the Article VII Arbitrator; and

**WHEREAS**, Article VII Section 5.B of the APFA Constitution provides that “The Board of Directors may also appoint one or more alternate Article VII Arbitrators who shall have the authority to hear and decide particular charges when the Article VII Arbitrator is not available;” and

**WHEREAS**, on January 12, 2021, the APFA Board of Directors appointed Ruben Armendariz, Lynn Rubinett and Edward Valverde as alternate Article VII Arbitrators.

**BE IT THEREFORE RESOLVED**, that Howell Lankford be removed as the Article VII Arbitrator; and

**BE IT FURTHER RESOLVED**, that Edward B. Valverde be appointed as Article VII Arbitrator in accordance with APFA Constitution Article VII Section 5.A; and

**BE IT FURTHER RESOLVED**, that **Ruben Armendariz** and Lynn Rubinett remain as Alternate Article VII Arbitrators.

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IN THE MATTER OF THE HEARING

MELISSA CHINERY, Member

and

SANDRA LEE, Member

AND

ROBERT ROSS, Member

)  
)  
)  
) BEFORE ARTICLE VII  
) ARBITRATOR  
) HON. RUBEN B. ARMENDARIZ  
)  
)

\*\*\*\*\*

JUNE 16, 2021

VOLUME 1

\*\*\*\*\*

BE IT REMEMBERED that on the 16th day of June,  
2021, the above cause came on for hearing before HON.  
RUBEN R. ARMENDARIZ at the WESTIN IRVING CONVENTION  
CENTER AT LAS COLINAS, 400 West Las Colinas Boulevard,  
located in the City of Irving, County of Dallas, State  
of Texas, whereupon the following proceedings were had.



A P P E A R A N C E S:

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmailcom

APPEARING AS THE ARBITRATOR

MR. CHRISTIAN CASADEY  
3860 N.E. 170th Street  
Apartment 206  
North Miami Beach, Florida 33160  
PHONE: 347.525.4113  
EMAIL: Christian.Casadey@gmail.com

AND

MS. SANDRA LEE  
9037 Cattaraugus Avenue  
Los Angeles, California 90034  
PHONE: 310.591.7674  
EMAIL: SEL27995@gmail.com

APPEARING FOR THE CHARGING PARTY

MR. ROBERT ROSS  
4701 Hayloft Court  
El Dorado Hills, California 95762  
PHONE: 916.284.2402  
EMAIL: 1ROSS@COMCAST.NET

APPEARING FOR THE CHARGED PARTY

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P R O C E E D I N G S

THE ARBITRATOR: The -- the hearing will be open. This is an Article VII hearing between Melissa Chinery, Member, and Sandra Lee, Member, and Robert Ross, Member.

The Arbitrator appearing before you is Ruben R. Armendariz and that's spelled Ruben, R-U-B-E-N. And will the parties please state your appearance for the record?

MS. CHINERY: Melissa Chinery.

THE ARBITRATOR: Okay.

MR. CASADY: Christian Casady.

MS. LEE: Sandra --

THE ARBITRATOR: How do you spell your last name?

MR. CASADY: Casady, C-A-S-A-D, as in David, A-Y.

THE ARBITRATOR: C-A --

MR. CASADEY: S-A.

THE ARBITRATOR: -- S-A?

MR. CASADEY: Uh-huh.

THE ARBITRATOR: Okay.

MR. CASADEY: D --

THE ARBITRATOR: D.

MR. CASADY: -- E-Y.



1 that. I can do that. I can say did Robert Ross, ex  
2 officio President, APFA President, okay. We can do it  
3 that way.

4 MR. CASADY: Perfect.

5 THE ARBITRATOR: Okay. Okay. Well,  
6 we've got a stipulation and we'll go ahead and hear  
7 opening arguments. The charging parties, go ahead and  
8 do the opening.

9 MS. LEE: Okay.

10 THE ARBITRATOR: Go ahead.

11 MS. LEE: Melissa and I are members of  
12 F -- APFA. Neither of -- of us have ever held Union  
13 office. We are here because we are very concerned  
14 about how our dues money is being accounted for.

15 Over the course of the last several  
16 years, we have investigated our Union's finances  
17 because we were concerned about how our dues were being  
18 spent. We will present testimony about our  
19 investigation but also the incredible -- incredible  
20 difficulties and challenges, excuse me, we've had  
21 obtaining information.

22 The APFA Constitution, policy  
23 Constitution is clear, that we have the right to seek  
24 financial information of the Union. Federal law also  
25 allows Union members to seek financial information for

1 just cause. Yet we faced years of obstruction where we  
2 not -- we were not allowed to see financial information  
3 for years. We were given the runaround. We wrote  
4 countless emails, went to Dallas to APFA headquarters  
5 numerous times but were allowed to see very little  
6 information.

7 In April 2021 Julie Hedrick became  
8 President of APFA and with the support of her fellow  
9 Officers and Board of Directors, clear -- the clear  
10 language of the APFA Constitutions which allowed  
11 members to see the financial information was upheld.  
12 When we finally went down there, we found that the  
13 information, the financial information from the Ross  
14 administration, was a complete mess with the receipts  
15 in loose boxes, entire sets of financial information  
16 mysteriously missing.

17 We will present evidence that upon  
18 leaving office, his administration wiped clean emails  
19 and other crucial files of ongoing Union work and did  
20 not provide inventory lists to the incoming  
21 administration of Lori Bassani and Liz Geiss. This was  
22 a violation of both the APFA Constitution and federal  
23 law, which requires these documents to be held for five  
24 years.

25 Despite these challenges, we will prove

1 that Bob Ross violated the APFA Constitution and policy  
2 manual in a number of very specific ways and areas.

3 What we found, indeed, what we've downloaded is  
4 disturbing. Uncovering all of this was not easy.

5 Federal law requires that financial  
6 information be kept for five years from the date of the  
7 LM-2s, from the date the LM-2s are filed. Here in this  
8 case, the information should have been kept until at  
9 least the summer of 2022 or beyond. Yet we will  
10 demonstrate at the conclusion of the Ross  
11 administration, files went missing, crucial financial  
12 records were deleted, many of the receipts that were  
13 turned in are missing the critical elements that  
14 financial records should contain; who attended and --  
15 who attended and what was the business purpose,  
16 etcetera.

17 This was part and parcel of a policy of  
18 Bob Ross' ignoring the policy manual, acting as --  
19 acting as if because he's President the rules did not  
20 apply to him. But APFA has a Constitution and a policy  
21 manual, both of which are binding on Union Officers.  
22 In fact, the AP -- APFA Constitution explicitly says  
23 ignorance of these provisions is no excuse.

24 Bob Ross, the charged party, was National  
25 President of APFA from April 1st, 2016 to March 2nd,



1 2018. Before taking office, he was given one paid  
2 month of transition in which that time he was supposed  
3 to locate housing. According to the APFA bylaws,  
4 elected National Officers receive either a paid move or  
5 a furnished apartment. As of April 1st, 2016, Ross was  
6 considered to be living in Base as defined by the  
7 policy manual; in other words, his job was in Dallas,  
8 just like we as regular line Flight Attendants don't  
9 get expenses and per diem and hotels in our Base city,  
10 Ross was not supposed to, but he did, he took both.

11 The policy manual provides that the Union  
12 will pay for moving a car from -- to Dallas, in this  
13 case, from California. Even after APFA paid to move  
14 his car to Dallas, the policy manual says you can take  
15 a Union provided apartment or receive \$10,000 round  
16 trip for your move, either or, Bob took both. He  
17 signed a lease for an apartment on June 1st, but he was  
18 house hunting seven days later.

19 Ross spent thousands of dollars on and  
20 around June 8th buying household goods allegedly for  
21 his apartment that he did not intend to stay in.  
22 Hundreds of dollars on the same days he was spent -- he  
23 was spending house hunting.

24 The policy manual says the Officers were  
25 not entitled to expenses to commute home. Many of us

IN THE MATTER OF THE HEARING

MELISSA CHINERY, Member )  
and )  
SANDRA LEE, Member )  
BEFORE ARTICLE VII  
AND ) ARBITRATOR  
HON. RUBEN B. ARMENDARIZ  
)  
ROBERT ROSS, Member )

\*\*\*\*\*

NOVEMBER 17, 2021

VOLUME 2

\*\*\*\*\*

BE IT REMEMBERED that on the 17th day of  
November, 2021, the above cause came on for hearing  
before HON. RUBEN R. ARMENDARIZ at the WESTIN IRVING  
CONVENTION CENTER AT LAS COLINAS, 400 West Las Colinas  
Boulevard, located in the City of Irving, County of  
Dallas, State of Texas, whereupon the following  
proceedings were had.

A P P E A R A N C E S :

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmailcom

APPEARING AS THE ARBITRATOR

MS. MELISSA CHINERY  
EMAIL: Melchinery@aol.com

AND

MS. SANDRA LEE  
EMAIL: SEL27995@gmail.com

APPEARING FOR THE CHARGING PARTY

MR. ROBERT ROSS  
EMAIL: 1RROSS@COMCAST.NET

AND

MS. GINA GUIDRY

APPEARING FOR THE CHARGED PARTY

\* \* \* \*



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REPORTER'S NOTE:

Due to the horrible acoustics in the hearing room and without the use of microphones, there will be noted (unintelligible) several times throughout the transcript. I apologize for this; however, if I cannot hear it, I cannot write it.

Additionally there are several notations of simultaneous speaking or simultaneous discussions throughout the transcript. When several people talk at the same time, there is no way to possibly discern who is speaking.

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1 name.

2 MS. LUKENSMEYER: Cathy Lukensmeyer.

3 Former Treasurer of APFA.

4 THE ARBITRATOR: How do you spell your  
5 last name?

6 MS. LUKENSMEYER: L-U-K-E-N-S-M-E-Y-E-R,  
7 Lukensmeyer.

8 THE ARBITRATOR: Okay. Got it okay. Go  
9 ahead.

10 CATHY LUKENSMEYER,  
11 having been first duly sworn, testified as follows:

12 DIRECT EXAMINATION

13 BY MS. CHINERY:

14 Q. Morning, Cathy.

15 A. Morning.

16 Q. Can you state your name?

17 A. Cathy Lukensmeyer.

18 Q. Okay. Are you working or retired?

19 A. Retired.

20 Q. Okay. Were you employed at AA?

21 A. Yes.

22 Q. Okay. What was your position?

23 A. Flight Attendant and then I held numerous  
24 positions with the APFA.

25 Q. Okay. I haven't gotten to that yet.



1 Q. (BY MS. CHINERY) So is the Union obligated to  
2 buy the meals, rental cars, etcetera, if they're living  
3 in Base?

4 A. The end of the question?

5 Q. Is the -- is the Union obligated to buy Union  
6 Officers meals, rental cars, if they live in Base?

7 A. No.

8 Q. Okay. So when the National Officers take  
9 office, they're -- are they allowed at any time to --  
10 excuse me, let me rephrase that.

11 So when the National Officers take  
12 office, are they allowed at any time to -- actually,  
13 I'm going to strike that question. I'm sorry.

14 Can you please turn to H2 -- 5H 2 of the  
15 policy manual?

16 A. Sorry. So it's -- H 2?

17 Q. 5 -- 5H, 5H in the 2016 one.

18 A. Correct.

19 Q. Yeah. So we're going to ask you a couple  
20 questions about housing information.

21 A. Okay.

22 Q. Okay. Can you take a look at 5H of the policy  
23 manual in terms of residence of the National Officer  
24 and what sort of housing is provided? This policy was  
25 in place in 2016.

1 A. Okay. A National Officer is offered to either  
2 commute from their permanent residence and have an  
3 apartment or they may choose to relocate and have the  
4 Union pay \$10,000 roundtrip moving expense.

5 Q. Is this either or?

6 A. It's either or. One or the other. And you  
7 make your choice at the beginning. Before you come  
8 down, this is what I'm going to do.

9 Q. Okay. And so because they are considered to  
10 live in DFW, what does that mean for expense purposes,  
11 so the Union is not obligated to buy the meals?

12 A. Right, you're local.

13 Q. Yes, you're local. And can you look at H2? I  
14 would just like you to read that.

15 A. I do believe, H2?

16 Q. Yes. Can you just read that into the  
17 record --

18 A. Sure.

19 Q. -- please?

20 A. If on the date of his/her election, a National  
21 Officer does not reside in the DFW area, she/he will --  
22 shall be reimbursed for actual moving expenses for  
23 relocation from/to his or her place of permanent  
24 primary residence by a certified mover as a condition  
25 of employment with the APFA for a maximum of \$10,000

1 per roundtrip move.

2 Q. Okay. Can you continue on the next page,  
3 please?

4 A. The provisions of H2 above must be exercised  
5 within six months following the end of the last term of  
6 office of the National Officer and must be  
7 substantiated by invoice or bill.

8 Q. Okay. Thank you. And if they don't opt for  
9 the paid move, the policy manual provides?

10 A. An apartment.

11 Q. Okay. And H3, can you go to H3, please?

12 A. Yes.

13 Q. 3, okay. Can you just read --

14 A. Number 3.

15 Q. -- number 3?

16 A. A National Officer may choose not to relocate  
17 to the DFW area, but may instead choose to accept  
18 suitable furnished accommodations paid for by the APFA  
19 provided in H7 below. If a National Officer accepts  
20 such accommodations in lieu of relocation expenses  
21 provided in H2 above, the following shall apply.

22 Q. Okay. Okay. So if Mr. Ross chose the  
23 apartment, was he eligible for a paid move?

24 A. No.

25 Q. Okay. And if he took the paid move, was he

1 eligible to receive APFA provided furniture?

2 A. No.

3 Q. So if the furniture is provided for APFA  
4 provided apartments pursuant to H3, is it for someone's  
5 personal residence?

6 A. No.

7 Q. And if you were Treasurer and you found out a  
8 National Officer had to use a Union credit card to  
9 purchase furniture, how would you view that?

10 A. It's theft. It's criminal.

11 Q. And what if it was thousands of dollars in  
12 furniture?

13 A. Criminal again.

14 Q. Under either scenario should a National  
15 Officer be using the Union credit card to purchase  
16 items such as Tide or household items?

17 A. No.

18 Q. Okay. Can you explain -- okay. Can you  
19 explain how furniture in the apartments was normally  
20 done? Was it used or -- just explain.

21 A. The incoming Officers would accept, when I was  
22 in office, the unit of the outgoing Officer. And if  
23 the furniture was good, the furniture was to remain in  
24 the unit. If there was something falling apart and  
25 needed replacing, like the unit that I went in to,



1 A. Yes.

2 Q. Okay. You also testified to the fact that Mr.  
3 Vargas broke policy often?

4 A. Yes.

5 Q. If the Treasurer is breaking policy and  
6 stealing money --

7 MR. ROSS: Objection, you can't --

8 THE ARBITRATOR: No, just --

9 MS. CHINERY: Okay.

10 THE ARBITRATOR: -- rephrase your  
11 question.

12 MS. CHINERY: Okay.

13 Q. (BY MS. CHINERY) So if the Treasurer isn't  
14 doing his job, then would you say it's easier for  
15 someone else to get by with --

16 MR. ROSS: Objection.

17 Q. (BY MS. CHINERY) -- bogus charges?

18 THE ARBITRATOR: No, that's an opinion.  
19 Ask a -- rephrase the question.

20 Q. (BY MS. CHINERY) If the Treasurer is -- if  
21 the Treasurer is not doing his job and allowing things  
22 to go through, would you say it's much easier for  
23 everyone to get bad charges to go through?

24 A. Yes. I think the Treasurer was doing what the  
25 President was doing.

1 MR. ROSS: Objection --

2 MS. CHINERY: Thank you.

3 THE ARBITRATOR: Yeah, that's --  
4 that's --

5 MR. ROSS: -- irrelevant --

6 THE ARBITRATOR: Strike that from the  
7 record.

8 THE WITNESS: Oh, okay, because I was on  
9 both hearings.

10 THE ARBITRATOR: Do you have any other  
11 questions?

12 MS. LEE: I -- I --

13 THE ARBITRATOR: Yes.

14 MS. LEE: -- have -- I do have one, just  
15 one very simple question.

16 THE ARBITRATOR: Okay.

17 Q. (BY MS. LEE) If the Treasurer, if these --  
18 the charges, any charges come through and the Treasurer  
19 approves them, will normally that second just sign it?  
20 Is it a rote routine?

21 A. I don't know.

22 MS. LEE: Okay.

23 THE ARBITRATOR: Let me ask one  
24 question. Okay. If -- if an invoice comes to the  
25 Treasurer, okay, and the Treasurer doesn't question it

1 Treasurer.

2 ERIK HARRIS,

3 having been first duly sworn, testified as follows:

4 DIRECT EXAMINATION

5 BY MS. LEE:

6 Q. Hi, Erik.

7 A. Hello.

8 Q. Thank you for coming today. We know it's been  
9 quite the week, so we appreciate it.

10 A. Thank you.

11 Q. So again, what is your name?

12 A. Erik Harris.

13 Q. Where are you employed?

14 A. American Airlines and APFA.

15 Q. Okay. What is your position at APFA?

16 A. I'm the National Treasurer.

17 Q. How long have you been employed at American  
18 Airlines?

19 A. About eight years.

20 Q. Okay. Besides National Treasurer, have you  
21 held any other positions -- positions at APFA during  
22 your career?

23 A. Yes, various positions. Most recently --  
24 well, prior to this position, I was a contract chair.  
25 I served on the budget committee pretty much my entire

1 A. Okay.

2 Q. Or actually on Monday, take Monday the 6th --

3 A. Okay.

4 Q. -- and tell me about that day.

5 A. So on Monday the 6th looks like Bob flew to  
6 DFW from 8:00 to 11:30 a.m. and then he was in the  
7 office from noon till 5:30 --

8 Q. Okay.

9 A. -- for a nine hour day.

10 Q. And how about the 7th?

11 A. 7th, he, I'm guessing with no time, the entire  
12 day was spent on home search, phone calls, and emails.

13 Q. So can you -- so as well as the 8th?

14 A. Yes.

15 Q. Can you look at that column and tell if he was  
16 actually in the office that day? Is there a way you  
17 can tell by looking at that column?

18 A. Yeah, it would say -- normally say in the  
19 office, based on everything else, if I was reading this  
20 or if I was approving this --

21 Q. It was --

22 A. -- I would see that he wasn't in the office.

23 Q. Okay. What's that? Okay. Can you explain to  
24 me what guaranteed MEA is?

25 A. So guaranteed MEA is a meal expense stipend



1 that is provided to representatives who work on a  
2 full-time basis.

3 Q. And can you explain to me what SAF -- SAF is?

4 A. So SAF is a special assignment fee. The  
5 difference between MEA and SAF is MEA is basically meal  
6 replacements for everything you would have made had you  
7 flown that trip. SAF is a -- it's a -- it's a  
8 compensation for working on a day off --

9 Q. Okay.

10 A. -- at the Union.

11 Q. So if I were to look at this chart across the  
12 bottom in five, how could I tell if he got SAF, MEA or  
13 both?

14 A. It would be marked as MEA. Those -- the MEA  
15 section would have a checked box.

16 Q. So on Monday, the 6th, if you go down where  
17 SAF is circled --

18 A. Yes.

19 Q. -- so that means he was away from home?

20 A. That means he was --

21 Q. Or was he in Dallas?

22 A. That just means he was paid \$30 SAF for that  
23 day.

24 Q. Okay. So is this something they need to claim  
25 every week to receive?

1 A. Yes.

2 Q. Are you aware of an issue related to the  
3 formula to pay out vacation time for former National  
4 Officers Vargas, Martin, Dunaway and Ross?

5 A. Yes.

6 Q. Can you explain the issue?

7 MR. ROSS: Objection.

8 THE ARBITRATOR: I'm going to allow it.  
9 Go ahead.

10 A. The MEA and SAF payments were added to the  
11 formula which inflated the number to calculate the  
12 daily rate for the vacation and sick pay hours.

13 Q. (BY MS. LEE) Did Martin, Vargas, and Dunaway  
14 pay back the money?

15 A. Martin paid back in full. Vargas and Dunaway  
16 are currently on payment plans.

17 Q. How about Bob Ross, did he pay it back?

18 MR. ROSS: Objection --

19 A. No. Oh.

20 THE ARBITRATOR: Hold on a minute. Ask  
21 that question again.

22 MS. LEE: I asked if the other Officers  
23 it involved paid the money back --

24 THE ARBITRATOR: Yeah, I'm going --

25 MS. LEE: -- and then after that I asked

1 did Rob -- Bob Ross pay it back.

2 THE ARBITRATOR: Yeah. Okay. I'm going  
3 to --

4 MR. ROSS: I'm going to object to that  
5 because pay what back? He hasn't been charged with  
6 anything. He hasn't -- it hasn't been established that  
7 there was anything that he was -- had to pay back.

8 MS. CHINERY: The Board of --

9 THE ARBITRATOR: Well, wait a minute.  
10 Ask him --

11 MS. LEE: Okay.

12 THE ARBITRATOR: -- ask him if there's  
13 money due, okay?

14 MS. LEE: Thank you.

15 Q. (BY MS. LEE) Okay. During the time we  
16 established that Martin, Vargas, and Dunaway owed APFA  
17 that money, was it also established that Bob Ross owed  
18 the money or did that come later?

19 A. Can you ask that again?

20 Q. Okay. I'll restate that.

21 A. Okay.

22 Q. Was Bob Ross notified that he owed money?

23 A. Yes.

24 Q. How much was it?

25 A. \$5400.

1 get -- I wanted to get it clear in my head.

2 MS. LEE: No, thank you. It's  
3 confusing.

4 Q. (BY MS. LEE) Okay. So now we're going to  
5 talk about his sick payout.

6 A. Uh-huh.

7 Q. Okay. So just to be really clear, he was  
8 overpaid his vacation payouts?

9 A. That -- it wasn't per policy.

10 Q. It wasn't policy, okay. Was this presented to  
11 the Board of Directors?

12 A. Yes.

13 Q. Okay. Now we get to our sick pay. How many  
14 sick days is a National Officer entitled to?

15 A. 18.

16 Q. If a National Officer does not use their sick  
17 days, what happens?

18 A. Up to 12 of those days -- unused days can be  
19 cashed out.

20 Q. 12 unused days. How many unused sick days was  
21 Bob Ross paid out for, for 2017?

22 A. 12.

23 Q. How many -- how many unused sick days was Bob  
24 Ross paid out for 2018?

25 A. 12.



1 Q. Was that per policy?

2 A. Yes.

3 Q. Was a rental car provided to Bob Ross while --  
4 while he was President -- because he was President?

5 A. Yes.

6 Q. How long was he provided the rental car?

7 A. About six months.

8 Q. How do you know that?

9 A. Based on the receipts.

10 Q. Did APFA pay to transport his personal vehicle  
11 to the Dallas area from Sacramento, California?

12 A. Yes.

13 Q. How do you know that?

14 A. Based on the receipts, were submitted.

15 Q. Did Mr. Ross claim mileage expense while he  
16 was here in Dallas while utilizing the rental car?

17 A. Yes.

18 Q. How do you know that?

19 A. On the -- based on the mileage logs that were  
20 submitted.

21 MR. ROSS: Objection, which -- what  
22 mileage logs?

23 THE WITNESS: The -- the ones that were  
24 submitted with the expenses.

25 MS. CHINERY: 1846. 1846.

1 THE WITNESS: I -- I provided --

2 MR. ROSS: So --

3 MS. CHINERY: Which we gave you months  
4 ago.

5 MR. ROSS: I didn't say I didn't have it.  
6 I asked a question. I'm not going to try to  
7 cross-examine him, but I'll --

8 THE ARBITRATOR: No, you'll have your  
9 opportunity. Okay. Explain that to me.

10 MS. CHINERY: Okay.

11 THE ARBITRATOR: He was paid mileage and  
12 then he was also paid -- mileage for, I guess, personal  
13 auto vehicle, right?

14 THE WITNESS: Right.

15 THE ARBITRATOR: And then he's -- the --  
16 the rental car was paid?

17 THE WITNESS: Yes.

18 THE ARBITRATOR: Okay.

19 Q. (BY MS. LEE) So -- but I asked that  
20 question. Did Mr. Ross claim mileage expense while  
21 here in DFW while driving a rented vehicle?

22 A. Yes.

23 Q. Why is mileage normally claimed?

24 A. It's for the wear and tear on your own  
25 personal vehicle.

1 not allowed.

2 THE ARBITRATOR: Okay. That's not  
3 allowed?

4 MR. ROSS: It is not allowed for a member  
5 to contact APFA or the Union --

6 MS. CHINERY: I'm just --

7 MR. ROSS: -- just to find out a  
8 financial status --

9 MS. CHINERY: Ask the question --

10 THE REPORTER: I can't understand both of  
11 you talking at the same time.

12 THE ARBITRATOR: We're not going to get  
13 into this, okay? You know, I -- I -- I'm going to say  
14 this on the record. I really don't care what happened  
15 on FaceBook or social media. I want to get down to  
16 what the issues are, and this kind of -- whether you  
17 owe money or you don't, okay? So let's -- let's go --  
18 let's go that way. You got any more questions --

19 MR. ROSS: Is it --

20 THE ARBITRATOR: -- of this witness?

21 MR. ROSS: I'd like to retain the ability  
22 to recall this witness.

23 THE ARBITRATOR: Okay. Any other  
24 questions?

25 MS. CHINERY: Yeah, sorry.

1 MS. LEE: I just have a few more.

2 REDIRECT EXAMINATION

3 BY MS. LEE:

4 Q. I want to go back to -- I just want to clear  
5 this up. In 2017 how many vacation days did Bob Ross  
6 have, 2017?

7 THE ARBITRATOR: We've already gone over  
8 that.

9 MS. LEE: Well, I didn't ask -- I didn't  
10 know, I -- these past -- okay. I didn't ask for 2017.  
11 I asked for 2018. So I do want this to be on record.

12 THE ARBITRATOR: Okay. Go ahead.

13 Q. (BY MS. LEE) So how many vacation days did  
14 Ross have in 2017?

15 A. 35.

16 Q. How many vacation days were paid out for 2017?

17 A. 34.

18 Q. Thank you. Are MEA and SAF benefits or  
19 expenses?

20 A. They're expenses.

21 Q. Expenses?

22 A. Expense reimbursement.

23 Q. Has any other Treasurer used the formula for  
24 the payout that the Vargas and Ross administration  
25 used?



1 A. No, not to my knowledge.

2 Q. Okay. When people -- going back to MEA and  
3 SAF, would the National Officers, were their credit  
4 card statements part of weekly and monthly and the  
5 monthly expenses or are they separate?

6 A. Separate.

7 MS. LEE: Thank you. That's all I have.

8 MS. CHINERY: I have some. Sorry.

9 Q. (BY MS. CHINERY) Oh, I'd like to -- Erik,  
10 are you familiar with this document?

11 A. Yes.

12 Q. Can you please read the document to me -- us?

13 A. The whole thing?

14 Q. The first page --

15 A. Oh.

16 Q. -- starting with --

17 A. It's from the Osborne law office.

18 Q. Uh-huh.

19 A. To Ruben Armendariz, I guess that's you,  
20 regarding Chinery Lee versus Vargas on September 30th.  
21 Dear Arbitrator Armendariz, I --

22 THE ARBITRATOR: You know what, I'm  
23 going to -- I'm going to -- let me interrupt.

24 MS. CHINERY: Can we enter that?

25 THE ARBITRATOR: Let me interrupt. I

1 (Break from 3:18 to 3:30.)

2 THE ARBITRATOR: On the record. Hi.

3 MR. NIKIDES: Hi.

4 THE ARBITRATOR: I'm Arbitrator Ruben  
5 Armendariz. We met before.

6 MR. NIKIDES: Yes.

7 THE ARBITRATOR: Would you raise your  
8 right hand, please?

9 (Witness sworn.)

10 THE ARBITRATOR: Okay. Please give your  
11 name and --

12 MR. NIKIDES: John Nikides. I'm  
13 currently the LAX Base President for APFA and I'm a  
14 Flight Attendant for American Airlines.

15 THE ARBITRATOR: Okay. Go ahead.

16 JOHN NIKIDES,  
17 having been first duly sworn, testified as follows:

18 DIRECT EXAMINATION

19 BY MS. CHINERY:

20 Q. Hi, John.

21 A. Hi.

22 Q. Thank you for coming today. Would you state  
23 your name, please?

24 A. John Nikides.

25 Q. Okay. And how long have you been employed at

1 AA?

2 A. 37-and-a-half years.

3 Q. Okay. And have you ever held position -- oh,  
4 do you belong to a Union?

5 A. Yes, I do.

6 Q. Okay. Have you ever held positions with --  
7 what's the name of the Union?

8 A. Association of Professional Flight Attendants.

9 Q. Okay. Have you ever held positions with APFA?

10 A. Yes, I have.

11 Q. Okay. Can you tell us about your career?

12 A. Yes. I began with APFA in May of 1985 as the  
13 LaGuardia safety rep. Shortly thereafter I became San  
14 Francisco Vice Chairperson, which is now Vice  
15 President, called Vice President. From there I went to  
16 Dallas International, I was a Base Council  
17 representative. From there I went to Los Angeles  
18 International, became Vice Chairperson, Vice President  
19 in LA International. I subsequently became assistant  
20 to the President under an administration in the early  
21 '90s.

22 I was the American Eagle organizer and  
23 liaison. From there I went to -- back to Los Angeles.  
24 I flew domestic. I became Los Angeles Domestic Vice  
25 Chairperson, then Los Angeles Domestic Chairperson and

1 then we transitioned to the term President.

2 Q. Okay. And what's your current position?

3 A. LAX Base President.

4 Q. And how long have you held that position?

5 A. 20 years.

6 Q. Wow. Are you familiar with the policy for  
7 National Officers?

8 A. Yes, I am.

9 Q. Okay. Can you tell us about it?

10 A. Yes. When a National Officer is elected into  
11 the position and if they obviously do not reside  
12 already in the DFW area, they have the -- the choice of  
13 either accepting a corporate apartment from APFA or  
14 moving their household down to the DFW area and they  
15 are reimbursed for that up to \$10,000. This was put  
16 into place many years ago to encourage Flight  
17 Attendants, APFA members at other Bases, into also  
18 running for National Officer; otherwise, obviously, due  
19 to financial issues, if these were not provided, what  
20 would happen is that the -- the field of candidates  
21 would probably be limited just to the DFW area.

22 Q. Okay. But it is -- it's defined either/or?

23 A. It's very clear. It's either/or.

24 Q. Okay.

25 A. You receive either the corporate apartment and



1 no moving expenses or moving expenses up to \$10,000.

2 Q. Okay. Do you recall a missing furniture issue  
3 when Bob Ross was President?

4 A. Yes, I do.

5 Q. Can you tell us about that?

6 A. Yes. Bob Ross initially elected to have the  
7 apartment, the corporate apartment. And when the  
8 corporate apartment is selected, no moving expenses  
9 are -- are paid. And this has been a policy that's  
10 been alive very consistently over the years.

11 In violation of the policy, Bob Ross had  
12 elected to take both. He -- he entered into a lease  
13 agreement for the apartment, then quickly decided that  
14 that was not the way he wanted to go. APFA was still  
15 on the hook for the apartment; however, Bob Ross then  
16 moved his household down to the DFW area. And when you  
17 move your household down to the DFW area, you're not  
18 entitled to furnishings. The only time that furnishing  
19 would be made available to you would be if you took the  
20 corporate apartment.

21 So what had happened was that shortly  
22 after Bob Ross decided not to take the corporate -- to  
23 take the corporate apartment and not to occupy it, he  
24 moved his household down and purchased furniture and --

25 Q. We'll get to that --

1 A. Yes.

2 Q. -- if that's okay. Okay. August 13th of  
3 2016, Mr. Ross purchased \$3600 on the Union credit card  
4 for furniture at Ashley Furniture. Did you question  
5 Mr. Ross about this purchase?

6 A. Yes, I did.

7 Q. Can you tell us about that, please?

8 A. I questioned Mr. Ross about this because of  
9 the fact that because on that date, August 13th, it was  
10 already two months after Bob Ross had decided not to  
11 occupy the corporate apartment that he'd entered into a  
12 lease with. His -- he was all -- had already moved his  
13 family down to the DFW area. APFA was reimbursing him  
14 up to \$10,000. He was occupying a residence of his  
15 own. He was not entitled to that furniture. But he  
16 did enter into that purchase and the -- the furniture  
17 was delivered to his residence, not to the corporate  
18 apartment.

19 Q. Okay. And what was his response about the  
20 furniture?

21 A. He simply dismissed me and said it was  
22 delivered to the wrong address.

23 Q. Okay. Do you recall a charge on the Union  
24 credit card that was made on August 20th and 22nd on  
25 the Union credit card for a U-Haul truck?

1 A. Yes.

2 Q. And had Mr. Ross, was he entitled to use the  
3 credit card for this purchase?

4 A. No. I questioned him about that. He stated  
5 that he was -- he was using the U-Haul to move the  
6 furniture that had allegedly been delivered to the  
7 wrong address into an APFA storage unit.

8 Q. Okay. Does Bob Ross owe APFA money?

9 A. Yes, he does.

10 Q. How much?

11 A. At the very least \$5400.

12 Q. Okay. And how long has he owed?

13 A. He's known about the -- the \$5400 since at  
14 least October 2020.

15 Q. Okay. And to your knowledge, has Mr. Ross  
16 tried to pay this bill?

17 A. He has not.

18 Q. Okay. Has the Board -- as -- has the Board of  
19 Directors become aware that there was an overpaid up to  
20 -- overpayment to his 401K?

21 A. Yes.

22 MR. ROSS: Objection.

23 THE ARBITRATOR: What's --

24 MR. ROSS: He's already answered, but --

25 THE ARBITRATOR: No, but your --

1 MR. ROSS: 401K is -- anything about the  
2 401K is off --

3 MS. CHINERY: Well, it goes to  
4 foundation --

5 THE ARBITRATOR: Well --

6 MR. ROSS: 401K is not in the charges and  
7 she's already made arrange -- arrangements --

8 MS. CHINERY: He supplied many emails --

9 MR. ROSS: -- she's already made --

10 MS. CHINERY: Okay.

11 MR. ROSS: -- let me finish. He's  
12 already -- she's already made communication with APFA  
13 and on social media that she intends this week to file  
14 Article VII charges for the overpayment of 401K that  
15 resulted from the Transition Agreement. So she's  
16 already --

17 MS. CHINERY: The moment --

18 MR. ROSS: -- making specific --

19 MS. CHINERY: -- excuse me, the -- the  
20 moment he turned --

21 THE ARBITRATOR: Hold on a minute.

22 MS. CHINERY: -- the moment he chose to  
23 put these emails about the 401K into document exchange,  
24 he opened it up. So he brought it here.

25 THE ARBITRATOR: Did you -- did you



1 bring it up? I mean, did you --

2 MR. ROSS: I don't remember --

3 THE ARBITRATOR: -- the 401K --

4 MR. ROSS: -- what -- what 401K stuff did  
5 I bring up?

6 MS. CHINERY: At the -- the -- I -- the  
7 letters, the letters that I wrote to the Board about  
8 this, he submitted them in document exchange.

9 THE ARBITRATOR: Okay. But -- but  
10 they're not part of your charges, are they?

11 MS. CHINERY: But I think that they go  
12 to foundation, Mr. Arbitrator. I -- I think basically  
13 it's -- it's -- it's the whole picture and it's -- it's  
14 a valid question.

15 THE ARBITRATOR: Yeah, well, you know, if  
16 you're going to file other charges, you can argue it  
17 there then, okay? Let's go -- let's go to something  
18 else.

19 MS. CHINERY: Okay.

20 THE ARBITRATOR: You can't amend the  
21 charges, in other words, okay? In this proceeding, you  
22 can't amend them.

23 MS. CHINERY: Okay. Actually I was just  
24 going to --

25 THE ARBITRATOR: Yeah.

1 apartment policy?

2 A. Yes. The then Treasurer of APFA, Juan  
3 Guerrero had -- had accepted the corporate apartment  
4 and let me backtrack a little bit. When he came into  
5 office, he accepted the corporate apartment, that's  
6 what -- that was his election. And under the policy,  
7 the corporate apartment could not be a primary  
8 residence. In order to have the corporate apartment,  
9 you had to have proof that you were either paying rent  
10 or a mortgage at a primary residence. The APFA  
11 corporate apartment could not be your primary  
12 residence. And Juan Guerrero did not have a primary  
13 residence. It was established after the fact when he  
14 was in office that he had not provided any proof of  
15 paying rent or a mortgage on a primary residence, so  
16 therefore he was in violation of policy because the  
17 corporate apartment was his primary residence and that  
18 was in violation.

19 Q. And what -- what steps did the Board take?

20 A. We investigated it. We had a Board of  
21 Directors' meeting and prior to Juan Guerrero being  
22 removed from office, he resigned.

23 Q. Okay. And how much money did he have to pay  
24 back or did -- did he have to pay back any money?

25 A. Yes, he did. Approximately \$15,000 and he did

1 pay.

2 Q. Okay. Moving on. Can you tell me who Marcus  
3 Gluth is?

4 A. Marcus Gluth is a previous Vice President of  
5 APFA, previous President, and he has served in multiple  
6 positions at APFA. Currently he's an Executive  
7 Committee member.

8 Q. Okay. And he was the National President, you  
9 just --

10 A. Yes, he was.

11 Q. Okay. Did you recently have a conversation  
12 with Marcus Gluth regarding his furniture when -- that  
13 was left in his corporate apartment when he left office  
14 in 2016?

15 A. Yes, I did. I --

16 Q. Can you tell us about that, please?

17 A. I had a conversation with him at the October  
18 2021 Board meeting. Marcus said to me specifically  
19 that Bob Ross had told him that his daughter was  
20 enjoying Marcus Gluth's bedroom furniture from his  
21 corporate apartment.

22 Q. Okay. Was Mr. Ross entitled to take that  
23 furniture?

24 A. No, he was not.

25 Q. All right. So -- okay. So moving on. Okay.

1 intent of --

2 THE ARBITRATOR: Did you ever make --  
3 with the intent what?

4 MR. ROSS: That it would be used for the  
5 corporate --

6 THE ARBITRATOR: Okay.

7 MR. ROSS: -- apartment.

8 THE ARBITRATOR: Okay. Now, did you ever  
9 -- did you ever tell or put in writing that -- that you  
10 were going to move your family down here?

11 MR. ROSS: Yes, I did. And the Board was  
12 aware I was going to move my family down if it could  
13 work out by the school year.

14 MS. CHINERY: Objection. There's policy  
15 set for a reason. You cannot take one or two. He took  
16 both. There's a signed lease --

17 THE ARBITRATOR: Well --

18 MS. LEE: He had a -- we had -- and we  
19 do have the signed lease --

20 MS. CHINERY: And the furniture as  
21 questioned was delivered to his house in Southlake  
22 after we paid for him to move down here.

23 THE ARBITRATOR: Okay. Hold on a  
24 minute. Did you -- did you sign a lease?

25 MR. ROSS: I do not ever recall signing a



1 lease at that time.

2 MS. CHINERY: Okay.

3 MR. ROSS: I signed an occupancy  
4 agreement which gave me the authority to have a front  
5 door key, a garage door opener and the --

6 MS. CHINERY: Actually Exhibit 8 --

7 MR. ROSS: -- for the corporate  
8 apartment.

9 MS. CHINERY: -- Mr. Arbitrator --

10 THE ARBITRATOR: Okay. Well, I'm not  
11 going to get into that right now. Go ahead and -- do  
12 you have anymore questions of this witness?

13 MR. ROSS: I -- I do. I have a lot of  
14 them.

15 Q. (BY MR. ROSS) You --

16 MS. CHINERY: Can --

17 Q. (BY MR. ROSS) -- you realize that the  
18 elections are -- are cast in February, the -- you find  
19 out in March whether you got elected or not and you  
20 take office April 1st, okay? Has there been any other  
21 Officers that moved their families from another state,  
22 came to Texas to become a National --

23 MS. CHINERY: Objection, relevance.

24 Q. (BY MR. ROSS) -- Officer --

25 MS. CHINERY: Doesn't have anything to do

1                   IN THE MATTER OF THE HEARING  
2       MELISSA CHINERY, Member       )  
      and                                )  
3       SANDRA LEE, Member            )  
  )BEFORE ARTICLE VII  
4       AND                                )       ARBITRATOR  
  )HON. RUBEN B. ARMENDARIZ  
5                                        )  
      ROBERT ROSS, Member            )

6  
7  
8                   \*\*\*\*\*

9                   NOVEMBER 18, 2021

10                   VOLUME 3

11                   \*\*\*\*\*  
12  
13

14                   BE IT REMEMBERED that on the 18th day of  
15       November, 2021, the above cause came on for hearing  
16       before HON. RUBEN R. ARMENDARIZ at the WESTIN IRVING  
17       CONVENTION CENTER AT LAS COLINAS, 400 West Las Colinas  
18       Boulevard, located in the City of Irving, County of  
19       Dallas, State of Texas, whereupon the following  
20       proceedings were had.  
21  
22  
23  
24  
25

A P P E A R A N C E S :

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmailcom

APPEARING AS THE ARBITRATOR

MS. MELISSA CHINERY  
EMAIL: Melchinery@aol.com

AND

MS. SANDRA LEE  
EMAIL: SEL27995@gmail.com

APPEARING FOR THE CHARGING PARTY

MR. ROBERT ROSS  
EMAIL: 1RROSS@COMCAST.NET

AND

MS. GINA GUIDRY

APPEARING FOR THE CHARGED PARTY

\* \* \* \*

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1 A. Yes.

2 Q. Did you review what Mr. Ross was doing on the  
3 weeklies during that transition?

4 A. Yes.

5 Q. So now I want you to turn to Exhibit 5, the  
6 credit card charges.

7 A. Okay.

8 Q. So starting around May 30th and going through  
9 a few weeks, can you walk through any of the purchases  
10 which were cause for concern?

11 A. Yes.

12 MR. ROSS: Objection. May 30th when?  
13 What year? I'm not looking directly at your -- you're  
14 talking about May 30th on 6 or May 30th on 3?

15 THE ARBITRATOR: On the charging party  
16 Exhibit 5.

17 MR. ROSS: Okay. I wasn't sure.

18 THE ARBITRATOR: Okay. Go ahead.

19 A. Okay. There were several things that were  
20 alarming. As we know, APFA provided Mr. Ross with the  
21 apartment on June 1st. Starting on May 30th, he went  
22 to Target, he bought Shout, Tide, Reese's mints,  
23 chocolate Skittles, a pillow case, bath towel, bath  
24 towel, drink ware, Glad, Charmin, for \$131.31. The  
25 receipt said Bob's apartment.

1 Moving on the same day, he went back to  
2 Bed Bath & Beyond, bought a coffee maker, a \$49 pillow,  
3 another \$49 pillow. A \$30 pillow, a \$30 pillow,  
4 linens, iron, hangers. That was for \$567.09. The  
5 receipt also indicated it was for Bob's apartment.

6 Moving on. June 3rd of 2016, Mr. Ross  
7 went to Home Depot. He bought two shower heads for  
8 42.13. The receipt indicated it was for Mr. Ross'  
9 apartment.

10 So Monday, June 6, he went -- Mr. Ross  
11 went to Target. He bought a mattress pad for \$54.99, a  
12 down comforter, \$119.99, two bath towels, another bath  
13 towel, another bath towel, another bath towel, another  
14 bath towel for \$261.81. The receipt indicated it was  
15 for Mr. Ross' apartment.

16 Moving on. As we know in the weeklies  
17 for those days, for -- for June 8th he was house  
18 hunting, that's what his weeklies indicated. He then  
19 later that day went to Bed Bath & Beyond and bought  
20 \$721.96 for household items that the receipt indicated  
21 it was for Bob's apartment.

22 So he takes an apartment given to him by  
23 APFA on the 1st of June, but then he's house hunting,  
24 later that day he's buying stuff for his apartment.  
25 Why are you buying stuff for your house?

1 MR. ROSS: Objection.

2 THE ARBITRATOR: What?

3 MR. ROSS: Where -- where -- where does  
4 she get that later on that day I was house hunting?

5 THE WITNESS: Well, it's actually  
6 indicated in your weeklies.

7 MR. ROSS: Okay.

8 THE ARBITRATOR: Okay.

9 MR. ROSS: You talking about the weeklies  
10 that --

11 THE WITNESS: I'm just telling you how  
12 it's broken down.

13 THE ARBITRATOR: Okay. Okay. I'm  
14 overruling your objection. Continue on.

15 A. Okay. So as we proceed on, now it begins  
16 where Mr. Ross is purchasing pots in July and this is  
17 now for Bob's move. So once again that's for \$1234.  
18 Then he had another pod move for \$6858.40 that's billed  
19 to his apartment, but he's already -- if you -- why are  
20 we paying for an apartment and paying for a move? You  
21 get either or, not both.

22 But then what's very alarming is you go  
23 to the next page in August and you've got him staying  
24 in hotels because he's moving, but yet he's shopping at  
25 Home Depot in Dallas. So somehow he's charging hotels



1 across the country, but like he's purchasing things in  
2 Dallas. It doesn't make sense to me.

3 Q. (BY MS. LEE) Let me stop you there, Melissa.  
4 So you're saying that -- are we talking of hotel stay  
5 receipts?

6 A. Yes.

7 Q. Okay. So on April 1st he --

8 A. August 1st.

9 Q. -- August 1st, excuse me, he charged a hotel  
10 to APFA?

11 A. He expensed it.

12 Q. He expensed it, but at the same time he was  
13 shopping in Dallas?

14 A. That's not the same day, but it's for that  
15 day, okay, so you go to the 8th of August in 2016, he's  
16 at the Holiday Inn Express in Kingman, Arizona, but yet  
17 he's in -- Sunday he's at Home Depot for \$159, it  
18 doesn't make sense. I'm just --

19 Q. Okay.

20 A. -- it was disturbing. However -- can I  
21 continue?

22 Q. Yes, you may.

23 A. Okay. The most disturbing thing that I found  
24 was furniture. On August 13th of 2016, he purchased  
25 \$3637.92. It was billed to his home residence in -- it

1 was billed on the credit card and he'd already moved to  
2 Dallas, but he had it delivered to his house. And what  
3 I found even more alarming was then on the 19th and  
4 20th, he rents a U-Haul truck, his personal address was  
5 used to rent it, and then he's using the Union credit  
6 card.

7 Meanwhile, as you can see, I've listed  
8 the months that we've verified through the monthlies  
9 that he has his apartments (sic). I mean, we're paying  
10 for that. That's a lot of money. So those are some of  
11 the things.

12 MR. ROSS: This is a narrative here. Is  
13 there a question?

14 THE ARBITRATOR: Well, she's explaining  
15 what these charts are and I'm allowing it.

16 A. So it's a compilation of the things I found  
17 disturbing, that's the...

18 Q. (BY MS. LEE) Thank you, Ms. Chinery. So one  
19 week after he signed for the -- one week after APFA  
20 signed a six month lease for Mr. Ross, he was house  
21 hunting?

22 A. Correct.

23 Q. Thank you. Okay. Okay. Looking at Exhibit  
24 6, just the timeline --

25 A. Uh-huh.

1 Q. (BY MS. LEE) How long did Mr. Ross rent a  
2 rental car for once he came to Dallas? How long did  
3 that -- how long --

4 A. He had it from -- for six months.

5 Q. Six months. Do you happen to know if part of  
6 that six months his own personal car had already been  
7 transported to Dallas?

8 A. Yes.

9 MR. ROSS: Objection.

10 THE ARBITRATOR: Why?

11 MR. ROSS: The policy is very clear, you  
12 don't have to move one personal car, it doesn't have to  
13 say his car, that that's the car he's using.

14 THE WITNESS: What?

15 MR. ROSS: And the policy has been  
16 cleaned up since 2021, has been cleaned up in language,  
17 but at the time it doesn't say he moved his car here.  
18 So alls you have to do is move a vehicle here. Just I  
19 want it -- clear it here when you're saying he had his  
20 car, it gives the impression that the car that was --  
21 is moved here is at your avail the entire time. And  
22 it's not unusual whatsoever, I know I'm giving  
23 testimony, but it was not unusual whatsoever to have a  
24 rental car --

25 THE ARBITRATOR: Well, I tell you what,

1 you can cross-examine, okay, and you clarify this and  
2 you're encouraged to do that, too. Okay? So let's --  
3 let's go on.

4 Q. (BY MS. LEE) Do you know if a personal car is  
5 transported in to Base as a permanent resident, are you  
6 allowed long term use of a rental car?

7 A. From what we were told, no.

8 Q. Approximately how much did this rental car  
9 cost? Just approximately.

10 A. From our calculation, it was about \$6200.

11 Q. \$6200. Can you tell me what you're looking  
12 for in this arbitration, Melissa?

13 A. We would like the membership to be made whole.  
14 We would like there to be -- this can never happen  
15 again. I mean, it shouldn't -- we shouldn't be here  
16 doing this. This is not something common members  
17 should have to be doing.

18 MS. LEE: I have no more questions.

19 THE ARBITRATOR: You don't have any  
20 more?

21 MS. LEE: I do not.

22 THE ARBITRATOR: Okay. You need -- you  
23 need some time for cross or are you ready?

24 MR. ROSS: Are you ready?

25 THE ARBITRATOR: Okay. Let's go on.

1 Cross-Examination.

2 CROSS-EXAMINATION

3 BY MS. GUIDRY:

4 Q. Melissa, have you ever run for office with  
5 APFA?

6 A. Yes.

7 Q. When and what positions?

8 A. I ran for President in Philadelphia and  
9 President in Phoenix. 2015 and 2018, I believe. I  
10 could be wrong about the years. It's early, I'm sorry.

11 Q. When you went for documents and you said they  
12 were in a disarray, that was after Mr. Ross'  
13 administration, correct?

14 A. Well, no, because we went down with the --  
15 when we went down to see Craig and Liz Geiss and  
16 everything, we only got to see the monthlies, but there  
17 was a lot of things missing, so I consider, you know --

18 Q. Craig was not in his administration.

19 A. Well no, but that was after the -- immediately  
20 following the Ross administration.

21 Q. That was my question. So it was after Ross  
22 had left office?

23 A. Oh, yes.

24 Q. So how was he responsible in any way for the  
25 disarray of documents?



1 THE ARBITRATOR: Any more questions?

2 MS. GUIDRY: Yes.

3 Q. (BY MS. GUIDRY) Are you married to an  
4 attorney?

5 A. I'm married to an attorney.

6 Q. And does he work for the APFA?

7 A. He works for AFA and he's on loan to -- he --  
8 he works -- he's doing the negotiations, he's a  
9 negotiating attorney.

10 Q. So that's a yes?

11 A. Yes.

12 Q. Did you at any time ask him for his help or --  
13 or -- or did he give you any help at any time in these  
14 proceedings, with these proceedings?

15 A. We started this three years ago -- actually  
16 four years, four years ago. I don't involve my  
17 husband. I have spent my own money. I have taken time  
18 off work. I've taken classes. It does not take a  
19 rocket scientist to sit up there and know that somebody  
20 is jacking the credit card.

21 MR. ROSS: Objection.

22 THE ARBITRATOR: Well, that was uncalled  
23 for.

24 THE WITNESS: Sorry.

25 THE ARBITRATOR: Yeah.

1 THE WITNESS: Sorry.

2 Q. (BY MS. GUIDRY) So is that a no? Is that a  
3 no?

4 A. That's a no.

5 Q. He hasn't helped you in any way. That -- does  
6 your husband have any history with the Ross  
7 administration?

8 A. What -- what does this -- do I have to answer  
9 a question I --

10 THE ARBITRATOR: Just answer it yes or  
11 no.

12 A. Not that I'm aware of, no.

13 THE ARBITRATOR: Okay.

14 Q. (BY MS. GUIDRY) Well, was it an amicable  
15 relationship with Mr. Ross' administration?

16 MS. LEE: Objection. She said she  
17 didn't know of a relationship.

18 THE ARBITRATOR: Yeah, let's go to  
19 something else.

20 THE WITNESS: Wait, what does amicable  
21 mean?

22 MS. LEE: Okay.

23 THE ARBITRATOR: We're getting into  
24 speculation.

25 MS. GUIDRY: All right. I'll be happy

1 to move on.

2 THE WITNESS: Sorry about saying jacking.

3 I'm sorry. I didn't mean to.

4 Q. (BY MS. GUIDRY) Are -- are you familiar with  
5 I will work tirelessly to make sure you are out of  
6 office; are you familiar with that?

7 A. I wrote it.

8 Q. You wrote it?

9 A. Yes.

10 Q. And where was it posted?

11 A. I think I messaged him that. It was on  
12 FaceBook. It was a private messenger.

13 Q. When was that?

14 A. I don't remember.

15 Q. It was 24 hours after Mr. Ross left office.

16 A. Left?

17 Q. Started -- I'm sorry, started office.

18 A. Okay.

19 Q. April --

20 MS. LEE: Objection, foundation. We  
21 don't believe that to be true.

22 THE ARBITRATOR: Well, she's -- she's  
23 asking --

24 (Simultaneous speaking.)

25 THE ARBITRATOR: Let her answer.

1 MS. LEE: Okay.

2 Q. (BY MS. GUIDRY) It was 24 hours after he  
3 took office.

4 A. Okay.

5 Q. Okay. Did you support him in his --

6 A. I did.

7 Q. -- election?

8 A. I did.

9 Q. So from the time you supported him to the  
10 election and then 24 hours after he's in office, you  
11 write that you will tirelessly get him out of office.  
12 What changed?

13 A. I think what changed for me was I didn't -- he  
14 promised he was going to unite the LUS and the legacy  
15 carriers. He -- he said he was going to bring us  
16 together. And to be honest with you, I think that  
17 issue was he was rude to a friend of mine, that  
18 particular one. But that was at the start of seeing  
19 some very not nice behavior to someone that I really  
20 respected.

21 Q. So he was supposed to fulfill these promises  
22 in 24 hours?

23 A. No.

24 Q. Be complete --

25 A. That's not what I said.

1 Q. You did.

2 A. Well, no, that's what I came to understand  
3 about him, you know, where he divided us. But that  
4 you're talking about a private conversation where he  
5 was really rude to a then friend of mine.

6 THE ARBITRATOR: Let's go to a different  
7 topic.

8 MS. GUIDRY: Okay.

9 Q. (BY MS. GUIDRY) Just why did you withdraw  
10 your charges against Craig Gunter?

11 A. Because we didn't know to ask for the right  
12 remedy and the only remedy that we were asking for was  
13 to see the stuff. So when we saw the stuff, it was --  
14 and we knew he wasn't going to run again and it was --  
15 it was, to be honest with you, like, we didn't ask for  
16 a penalty when we did the remedy in the charges. We  
17 didn't know to do that. We were new to it.

18 MS. GUIDRY: Mr. Ross has some questions.

19 Q. (BY MR. ROSS) I'll just briefly touch on  
20 what she said because it really does bring it full  
21 circle back to the beginning. Is that -- I'm sorry,  
22 the -- the phrase that she was referring to, I will  
23 work tirelessly to make sure you're out of office as  
24 relevant, not really that communication, but many, what  
25 -- what was -- what was your specific reason at that



1 going to have one of my witnesses, excuse me, Susan  
2 Baldridge (phonetic) is out there waiting, but I'm  
3 not -- not going to use her.

4 THE ARBITRATOR: Okay.

5 MR. ROSS: So if somebody wants to let  
6 her she can --

7 (Simultaneous discussions.)

8 THE REPORTER: Are we off the record?

9 THE ARBITRATOR: We're off the record.

10 (Discussion off the record.)

11 THE ARBITRATOR: Raise your right hand.

12 (Witness sworn.)

13 THE ARBITRATOR: Have a seat. State  
14 your name.

15 MR. ROSS: Robert Ross.

16 THE ARBITRATOR: State your position for  
17 the record.

18 MR. ROSS: Robert Ross, Flight Attendant,  
19 APFA Board of Director.

20 THE ARBITRATOR: Go ahead.

21 ROBERT ROSS,  
22 having been first duly sworn, testified as follows:

23 DIRECT EXAMINATION

24 BY MS. GUIDRY:

25 Q. Mr. Ross, just to clarify this, Jodi, your

1 secretary is the one who books all rental cars?

2 THE REPORTER: I -- I'm sorry, I didn't  
3 hear.

4 MS. GUIDRY: Jodi is the one who books  
5 all the rental cars in the office.

6 A. She books the rental cars that are requested  
7 for purposes to run through the President's --

8 Q. (BY MS. GUIDRY) And when --

9 A. -- department.

10 Q. And when she says Bob's rental, does she mean  
11 your personal or the department?

12 A. I believe she means that the car is there.  
13 The rental that was requested through Bob's authority  
14 through the President's department.

15 Q. Okay.

16 A. I can't attest exactly why she would send an  
17 email like that between the two of us. She would refer  
18 to it (unintelligible).

19 Q. Mike Trapp testified that he moved something  
20 from storage unit to your house, he didn't recall what.  
21 What did he move to your house from the Union storage  
22 to your Southlake house?

23 A. I don't recall him ever moving anything from  
24 Union storage to my house.

25 Q. The question about that when you left office,

1 you didn't inventory, why?

2 A. When I -- when I left it -- office, I left  
3 office immediately. I didn't have an opportunity then  
4 to go in and inventory housing, furnishings, do  
5 whatever (unintelligible). My -- once I moved out of  
6 the apartment, that was done. My office I had very  
7 little time to move anything out of it that -- other  
8 than my computer. Most of that time in the office,  
9 after I resigned and was gone, was getting boxes to  
10 take pictures and globes, anything that was my personal  
11 items that I had furnished in my apartment. Get my  
12 computer given to the computer department. Anything  
13 personal that was on it I rehooked up (unintelligible)  
14 to my personal computer. Anything that was APFA  
15 related was left on the computer to be wiped clean.  
16 Turn over anything that I had to archives so that they  
17 had record of anything that I had in my office, that  
18 they had it. So that was what I did.

19 Q. So the charges on the credit card that were  
20 charged after you left office was used for what?

21 A. For -- for leaving office. For moving out and  
22 leaving office.

23 Q. What did you purchase?

24 A. Gosh, I don't remember. I think I purchased  
25 boxes or filing something. To be perfectly honest, I

1 don't remember what I -- if I saw the receipt, I could  
2 tell you what it may have been for, but --

3 Q. Okay. So once you left office, who took over  
4 the remainder of your term?

5 A. The Vice President, Nena Martin.

6 Q. So the rest of your team fulfilled your four  
7 month obligation to APFA?

8 A. Yes.

9 Q. And so as they -- as Sandra stated, it's the  
10 Treasurer's responsibility to do any inventory. So at  
11 the end of the term, your Treasurer should have  
12 inventoried?

13 A. Yes.

14 MS. CHINERY: Objection, leading.

15 THE ARBITRATOR: He's already answered.

16 Q. (BY MS. GUIDRY) Okay.

17 THE ARBITRATOR: That was -- that was a  
18 take off on your question.

19 MS. LEE: Yeah, I saw, I just clicked my  
20 pen.

21 Q. (BY MS. GUIDRY) The delivery of the furniture  
22 was earlier than you expected it to be, correct?

23 A. It was -- yes. Well, it was later than I  
24 expected to be, but earlier than when I had an  
25 opportunity to cancel it all, it was delivered. So

1 yes, it was -- I probably had an opportunity to cancel  
2 it had it been delivered in August or later. It came  
3 in earlier than expected and because I -- at the time I  
4 did not know for sure whether my family could move in.  
5 I accepted the furniture but did not accept several  
6 other items. It was those other items that were being  
7 delivered. The receipt that they're referring to had  
8 dates of delivery that actually did not take place  
9 (unintelligible). There were returned items, so...

10 Q. Could you explain the overlap or the apparent  
11 overlap of an apartment and a house lease?

12 A. Yeah. That can -- everything was in -- it was  
13 chaotic order on how we decided to move down and when  
14 we decided to move down. So the corporate apartment  
15 was the previous President's apartment. The  
16 furnishings in that apartment were barren and  
17 disheveled. It was furniture that was haphazardly  
18 delivered in there from another outgoing Officer's  
19 apartment. Other things were old furniture from  
20 previous administrations.

21 The garage itself was packed full of  
22 other administrations. Our administration went from --  
23 the out -- the outgoing administration had seven  
24 furnished apartments throughout the apartment complex  
25 and also in Downtown Dallas. There was a turnover in



1 that administration prior to our administration coming  
2 over. The President that was in that particular unit  
3 had left office. That unit itself and its garage was  
4 then used pretty much as storage and had a long-term  
5 lease on it.

6 When I took office, that was assumed to  
7 be my apartment. And it was the outgoing, Laura  
8 Glading's apartment, bedding and furniture. And it was  
9 in an area and location that was notorious in that area  
10 for break-ins and we knew that. The furnishings were  
11 bad. But I stayed there, whatever days I commuted in,  
12 I would stay there with that furniture sleeping on the  
13 previous President's bed who was in office I think at  
14 that time, two terms. I don't know when that bed was  
15 purchased, probably eight years, but it was her bed.

16 And the bedroom, the other bedroom that  
17 was in there was barren, had one file cabinet. So over  
18 the course of June and July or so, the commuting back  
19 and forth was strenuous on the family, it was strenuous  
20 on me and we had contemplated ideas on how to move the  
21 family down here and at the same time keep the kids in  
22 their schooling and in their sports.

23 I'm the first President or first National  
24 Officer to ever move their family to Texas. The  
25 policy at the time was that when you took office, you

1 were expected to live in Texas. And it was difficult  
2 to be expected to live in Texas by that policy and to  
3 have a family back home. When you take office is in  
4 April. The school year for our children are not out  
5 yet. The children wouldn't be out of school until  
6 June.

7 So the way the policy is is you're  
8 expected to -- to live in Dallas. Which is fine if you  
9 either already live in Dallas or you're single, but  
10 when you have a family, and I was the first one in this  
11 situation in my memory, and I've been here for 38  
12 years, that you had to move your family down here  
13 somewhere between taking office in June, making a  
14 decision on an apartment -- pardon me, taking office in  
15 April, having an apartment in June and getting your  
16 kids down in the school year was a near impossibility.

17 My wife is a Realtor. She had real  
18 estate transactions in the pipeline. My children were  
19 nationally ranked swimmers. I actually, when I took  
20 office, was also the Northern California head of the  
21 referees for the USA Swim. My wife was one of the head  
22 coaches. So we had a lot of personal obligations in  
23 California that preempted me from being able to say on  
24 April 1st when I take office, we're moving to Texas.  
25 Couldn't do it. And so I was going to commute, but it

1 was really difficult.

2 By the time that we had even wanted to  
3 start looking for ideas to move to Texas, we needed to  
4 figure out a way, well, how would we do it  
5 logistically, how would we get the kids to stay in  
6 their swim program because their times wouldn't match  
7 up with what they were doing in Texas. They were in a  
8 Blue Ribbon school in California and they were on a  
9 nationally ranked and a state championship swim team in  
10 their high school.

11 I wanted to get them into a program in  
12 Texas that was equivalent to what they had. And the  
13 only place in the Dallas area that could do that was  
14 Southlake. Southlake had a nationally ranked swim  
15 team. Their U.S.A. swim program, the Matadors, was  
16 nationally ranked. Their swim team was the state  
17 championship swim team and they had a LaCrosse program  
18 that was second to none for my son who's at school  
19 right now, LaCrosse. So it was next to impossible.

20 The school system -- or pardon me, the  
21 Southlake area, we looked in Colleyville, we looked in  
22 Keller, we looked in Grapevine, we looked everywhere.  
23 When they went to the high school there to swim for a  
24 practice while they were down here visiting, the coach,  
25 the head coach of the high school team, saw them swim

1 and wanted to know -- I get choked up because I'm  
2 talking about my kids -- they wanted to know who they  
3 were. And I did what I could to get them in to school.

4 They saw them swim. They said obviously  
5 there's rumors where they're from. My wife said, well,  
6 we're thinking about moving down here, but we can't  
7 get -- we're not sure we can get in somewhere. And he  
8 watched them swim and said, what's their times and when  
9 she told him what their times were, he said you've got  
10 to be here. You've got to be in Southlake. We -- we  
11 want you. So it's almost like they recruited them.

12 That put me in a position now where I  
13 was, like, holy crap, they can either stay in  
14 California or we move them down here and we get them in  
15 Southlake. This -- we have this apartment, corporate  
16 apartment in Euless that's already rented. The lease  
17 on it was leased by APFA, not by myself, and there was  
18 no need for me to sign a lease on a different apartment  
19 that was in a different area because if I was going to  
20 bring kids down here, I wouldn't be in an apartment. I  
21 had a dog, it wouldn't be in an apartment.

22 The City Ordinance of Southlake does not  
23 have apartments. There are no apartments in Southlake.  
24 It's only homes. So we drove around at one point when  
25 the kids were here and -- and my wife. Tony had driven

1 It was delivered back to Bear Creek with a U-Haul truck  
2 and that is exactly how it happened. As it turned out,  
3 by September -- by October 1st, my kids were able to  
4 get in. They actually came down here in September.  
5 They drove the car down in August because the policy  
6 manual says that you can bring one car, but that car  
7 was my wife's car. She had two kids in two schools,  
8 you had a senior in high school and -- no, middle  
9 school and high school. She had to find a job. She  
10 had to drive around.

11 So any time that that rental car during  
12 those period of times was not available, if I drove it  
13 home, I drove it back the next morning. If I didn't  
14 have a rental car, Tony, my assistant gave me a ride  
15 home. He would come by and pick me up and bring me in.  
16 So this whole thing was an absolute cluster. But at no  
17 time did we ever do anything willfully, purposely to  
18 waste Union's funds or inadvertently used Union funds  
19 in a way that was not intended. It was just a  
20 conglomeration of timing, effort, and praise the Lord  
21 that it happened the way it did because we were able to  
22 find what worked for us.

23 All of this was done under the premise  
24 that I was there for a four year term. I would have  
25 never moved my family. I would have never done any of



1 this had I known anything about a Department of Labor  
2 investigation into the electronic balloting, everybody  
3 knows that. There's no way I would have ever, ever  
4 attempted any of this for two years.

5 Sorry, long winded, but...

6 Q. Could you just briefly tell us why you left  
7 that \$3200 when you left office?

8 A. When I left office, one of the last  
9 conversations I had with Eugenio, the Treasurer, was is  
10 there anything that my office from an accounting  
11 standpoint is not up to snuff.

12 THE REPORTER: Is not what?

13 MR. ROSS: Up to snuff.

14 A. Is there -- there -- are we above, are we  
15 below, he was -- everything is buttoned up except we've  
16 never been able to reconcile the furniture. And I said  
17 it was never located. It was never -- I said what -- I  
18 had him pull up the receipts and what it was, it was  
19 \$3300.

20 Q. (BY MS. GUIDRY) 33?

21 A. And I said -- he goes, I -- I don't know what  
22 to do about it. I can explain it to the Board. And I  
23 said what if we just, because you have given me a  
24 package to leave, what if I just take out \$3300 out of  
25 my package and leave it here in the accounts receivable

1 treasury. And I was very emphatic with both Mark  
2 Richards and Eugenio that I am leaving. I would be  
3 willing to leave \$3200 or \$3300 in two payments, the  
4 last two payments, to cover the cost of that furniture.

5 But in no way, shape or form should it  
6 ever be misconstrued that I am paying for furniture  
7 that I have or that it is an indication of guilt on  
8 having it, that I would be willing to pay the value of  
9 that furniture and that's what I would leave behind.  
10 You can put it toward furniture. You can put in  
11 accounts receivable. If the furniture is not where it  
12 goes, that this money I'm leaving in accounts  
13 receivable. If everything in my office is up to snuff,  
14 you can apply it towards furniture.

15 But I would not accept being labeled  
16 having had it, but it was the value of -- ultimately  
17 that was a huge mistake because it made me look as  
18 though I'm paying for furniture. One of the main  
19 reasons that I did that, and I've said this several  
20 times, that I felt accountable for the disappearance of  
21 that furniture. The whole part of it that did not get  
22 a response for the disappearance of the furniture.

23 Q. Did you ever at any time have a long-term  
24 rental car for personal use paid for by the APFA?

25 A. No, that was not my personal rental car.

1 Q. Okay. Could you explain the expenses of  
2 hotels in Sacramento, I think she said (unintelligible)  
3 Amarillo, and was it Phoenix?

4 A. Yeah. There were --

5 THE REPORTER: Was it what?

6 MS. GUIDRY: Phoenix, Amarillo.

7 THE REPORTER: Got it.

8 A. Yes. When we moved out, I had my friend,  
9 Casey Veloso, who testified earlier, flew to Sacramento  
10 to help me move into the pods. The pods had to come in  
11 stages because they wouldn't all fit. Three pods  
12 wouldn't fit in my driveway. So he came up to help me  
13 move things into the pods, helped me move things  
14 into -- we had storage in Sacramento, leave some stuff  
15 there for prospective tenants that we had or if my wife  
16 wasn't able to get in the school district, they still  
17 had couch, beds, what have you.

18 The weekend that -- that we were supposed  
19 to move out, we had found the week -- the week before  
20 we had found somebody who was building a home that we  
21 knew, the home would be completed within two months.  
22 They needed a place to stay. They would stay in our  
23 house, then we would continue to rent it after that.  
24 If they didn't need it, we would rent it out. If it  
25 didn't work out that my family couldn't move to Texas,

1 we still had the house in California, right?

2 When Casey came up to help us move, I was  
3 on the phone, I forget now what was going on, but there  
4 was something going on that whole weekend at APFA and I  
5 spent nearly the whole time when he had come up --

6 THE WITNESS: Am I going too fast?

7 THE REPORTER: Huh-uh. I'm just kind of  
8 sore.

9 THE WITNESS: You need a break.

10 A. Long story short, because I couldn't help and  
11 I had to leave to fly back to Texas, Casey stayed until  
12 midnight loading that -- well, Casey had left earlier  
13 that day, but my wife couldn't leave until midnight.  
14 She was supposed to on that day be all the way down to  
15 Bakersfield, would have been her first stop, which  
16 would have been about five hours away, if she left in  
17 (unintelligible).

18 She couldn't get things buttoned up  
19 because I wasn't there to help. I wasn't there all  
20 weekend to help. She was frustrated. But when I --  
21 she would have had a hotel paid for in Bakersfield. I  
22 said just leave first thing in the morning and get --  
23 use the Bakersfield hotel here and you'll just have to  
24 drive farther the next day. And that was on the 2nd.  
25 That's what they did. I contacted Eugenio and I said

1 what should I do? He said put it down as moving and  
2 we'll deal with it later.

3 The next day what they did was drove to  
4 Bakersfield and beyond and they had decided at that  
5 point that they would spend a few days, because the  
6 pods wouldn't be in Texas for another week or so. I  
7 didn't need the car, so they went to LA area for five  
8 or six days at our expense. Then went on to Flagstaff  
9 and then from Flagstaff, my wife took the kids who were  
10 riding with her, up to the Grand Canyon, back to Grand  
11 Canyon down through Albuquerque.

12 That portion of it was never charged --  
13 the LA portion of it was never charged. We billed what  
14 Eugenio and the Board said nonstop direct mileage from  
15 my house, the most direct way to Texas. That is all  
16 APFA got billed for. There was nothing in policy that  
17 stated that on the day that they left California to  
18 deliver one vehicle, that you had to continue your  
19 moving, your -- your driving. It just said to deliver  
20 one personal vehicle to Dallas. So that's what we did.

21 They hopped, skipped around on their way  
22 to get there, but APFA never got billed one extra mile  
23 for anything or one extra hotel room other than three  
24 hotels on the way to Texas. And that's the explanation  
25 as to why two hotels were within a couple of hours of



1 each other. One night up to Grand Canyon, then back,  
2 then continue their trip.

3 Q. (BY MS. GUIDRY) Did -- did you leave the  
4 administration in an orderly and viable manner?

5 A. I believe I did.

6 Q. Did you keep, for personal use, anything that  
7 you purchased for the apartment or anything did you  
8 keep for personal use?

9 A. No. As a matter of fact, everything is still  
10 in its wrappers or anything that was kept and not  
11 returned was taken to that apartment and it was offered  
12 to the other reps who had apartment -- who had  
13 apartments there. It was left in a huge box at the  
14 base of the stairs down into the garage, huge box, and  
15 it had bedding, anything that was there. The bedding  
16 that was purchased was purchased to cover up the divot  
17 in Laura Glading's bed that I was made to sleep on or  
18 expected to sleep on. Once it was slept on, once it  
19 was opened and slept on once or twice, it could not be  
20 returned.

21 MS. GUIDRY: I have no more questions.

22 THE ARBITRATOR: Cross?

23 MS. LEE: Can we take a break for lunch?

24 MS. CHINERY: Oh, make it -- we have to  
25 get our stuff out and that's just for (unintelligible)

1 so we need to just take a minute.

2 THE ARBITRATOR: Okay. Let's take 10  
3 minutes.

4 (Break from 12:33 to 12:50.)

5 THE ARBITRATOR: Back on the record. Do  
6 you have questions?

7 MS. LEE: Yeah. We're going to make it  
8 short, hopefully, yes.

9 CROSS-EXAMINATION

10 BY MS. LEE:

11 Q. Mr. Ross, you served as San Francisco Base  
12 President around 2008, correct?

13 A. Yes.

14 Q. And at the same time your wife served as San  
15 Francisco Vice President?

16 A. Yes.

17 Q. Okay. Prior to that you both worked at APFA?

18 A. Yes.

19 Q. So when you ran for National President, you  
20 both had full knowledge that the job would require you  
21 to relocate or move into corporate housing?

22 A. Yes.

23 Q. So you chose to run for President knowing that  
24 your children were involved in sports and school in  
25 California?

1 can you please go to Exhibit 5?

2 MS. CHINERY: I'm almost done.

3 Q. (BY MS. CHINERY) If you look at the -- I  
4 think it's what one, two, three, four, if you go five  
5 pages in, you'll see where your -- your payments, these  
6 come from the monthlies. You see that what we're --  
7 can you read, so for May, June, July, August,  
8 September, October, November, the membership was  
9 charged \$1300 and 23 -- for an apartment, correct --

10 A. Yes.

11 Q. -- in your name? Yes?

12 A. Yes.

13 Q. Okay. So you testified before, I just want to  
14 be clear, so you did not drive across country, your  
15 family did; that's what you said?

16 A. That's correct.

17 Q. Okay. So I'm counting, if you go two pages  
18 up, one, two, three, four, five, five hotels that were  
19 billed to the Union credit card and you were not --

20 A. Where --

21 Q. -- even present?

22 A. -- where are you at?

23 Q. Is that correct? It's yes or no.

24 A. I show four instead of five. I show four.

25 Q. Which one are you disputing?

1 A. Well, I see Staybridge, right?

2 Q. Okay.

3 A. And I see Kingman, Arizona, Flagstaff,  
4 Amarillo.

5 Q. Okay. And the Expedia, that was a hotel also.

6 A. For \$57?

7 Q. Yes.

8 A. It just says Bob's move, says Expedia.

9 Q. Okay. So basically what we're getting at here  
10 is, so you're in Dallas using the credit card and then  
11 your family who's not with you is also on the road  
12 using the credit card?

13 A. No, they're not using the credit card. The --  
14 the --

15 Q. Well, they stayed here. You testified that --

16 A. They're not using the credit card. The credit  
17 card --

18 Q. Well they stayed --

19 A. -- is --

20 Q. -- there, they used it.

21 A. They are not using the credit card. The  
22 credit card is being used for the hotel. They  
23 themselves are not using the credit card. The hotel --

24 Q. But if you weren't --

25 A. -- the credit card is used to book their

1 hotel, which is part of the move.

2 Q. Their expenses are being paid with the credit  
3 card and you weren't --

4 A. The hotel is being --

5 Q. -- present.

6 A. -- the --

7 Q. I just want to know --

8 (Simultaneous speaking.)

9 A. There's no food, there's no --

10 THE ARBITRATOR: Wait a minute. He's  
11 trying to answer.

12 MS. CHINERY: I'm sorry.

13 A. I may have been mistaken whether they stayed  
14 three nights, they stayed four nights, but they were  
15 not using the hotel (sic) that was a move expense to  
16 move the car. There's no gasoline. There's no food.

17 Q. (BY MS. CHINERY) Actually --

18 A. There's -- that I know of.

19 Q. Okay. So if you go two pages over, we  
20 actually have, it's on the --

21 A. Two pages over. You say over, up or down?

22 Q. I'm going over for the U-Haul moving storage  
23 truck. Right --

24 A. Wait, wait, wait. You say two pages over.  
25 When you -- when you say over, are you meaning --



1 Q. Two pages.

2 A. -- forward or backwards?

3 Q. Forward.

4 MS. LEE: Flip the page to the part of  
5 the book that has nothing.

6 MS. CHINERY: Okay.

7 A. I don't know about --

8 MS LEE: This way.

9 THE WITNESS: This way?

10 Q. (BY MS. CHINERY) Okay. So you know what,  
11 I'll make this easy.

12 A. Please do.

13 Q. So --

14 A. They had --

15 Q. -- when did you -- when did you -- when did  
16 you move into your house in Southlake?

17 A. Technically moved into the house --

18 Q. Yes, you had leased your house?

19 A. When did -- the -- the -- the actual lease the  
20 first payment was made on that house September.

21 Q. Okay. So you weren't living there in August?

22 A. The -- the -- the month of August? No, we  
23 were not --

24 Q. How do you have furniture delivered when no  
25 one was there?

1 THE ARBITRATOR: Let him finish. Let  
2 him finish.

3 MS. CHINERY: I thought he did. I  
4 thought he did. I thought he did.

5 THE ARBITRATOR: Let him finish and then  
6 you can ask a question. Go ahead.

7 A. I thought in my testimony I had said that the  
8 landlord was still there. We found a house with the  
9 landlord still in it. The furniture was delivered.  
10 The landlord accepted it to be delivered to his garage.  
11 But in order for him to move out of that, we had to get  
12 it out of his garage and back over to APFA corporate  
13 apartment as quick as possible so that it didn't  
14 inconvenience him so that he could start moving out so  
15 we could start moving in.

16 Q. (BY MS. LEE) When did your family move to  
17 DFW? When did they arrive in DFW?

18 A. Which time? They drove --

19 Q. The time they --

20 A. -- the vehicle down --

21 Q. -- drove across country?

22 A. They drove across country, then they went back  
23 to finish, swim, to finish my -- my wife's job. They  
24 didn't actually technically end up with their physical  
25 bodies in Texas until sometime in September when they

1 flew back down here, shipped clothes or whatever they  
2 had and then they were here.

3 Q. What day did --

4 A. They were -- go ahead.

5 Q. What day did your family arrive in Dallas  
6 after that five day trip cross country?

7 A. Oh, whatever their last hotel is in Amarillo,  
8 I guess, would have been the -- the 11th or the 12th, I  
9 don't know. It was exhausting. The dog was sick. One  
10 of my kids was sick, yeah.

11 Q. So was it --

12 A. I think it was -- had to have been around the  
13 11th or 12th.

14 Q. And you -- how long did they stay in Dallas?

15 A. On that -- on that trip?

16 Q. Yes.

17 A. Maybe for the week.

18 Q. Where did they stay?

19 A. In the apartment with me.

20 Q. Okay. Thank you.

21 MS. LEE: Have anything else, Melissa?

22 THE WITNESS: We weren't technically  
23 residents.

24 Q. (BY MS. CHINERY) When did you purchase the  
25 Ashley furniture? Was it -- it was -- it was August

1 THE WITNESS: -- Maddie Gilson, which is  
2 our in-house attorney. She's also the one that you  
3 would turn things in to to make sure that you -- and  
4 she would look in to your housing and stuff and make  
5 sure that you're legally entitled to apartments because  
6 you have -- and so I think most of the -- the legal  
7 part of it was dictated through legal office.

8 THE ARBITRATOR: Okay. That's all --  
9 that's all I have. You're excused.

10 Okay? Any more? No more witnesses?

11 MS. GUIDRY: No.

12 THE ARBITRATOR: Okay. You rest. Any  
13 rebuttal?

14 MS. CHINERY: Oh, God, no. We'll do it  
15 in the brief.

16 MS. LEE: We'll do --

17 (Simultaneous discussions.)

18 THE ARBITRATOR: No rebuttal. Okay.  
19 Let's go off the record a minute.

20 (Discussion off the record.)

21 THE ARBITRATOR: In an off-the-record  
22 discussion, we talked about transcripts. Melissa  
23 Carson will deliver the transcript no later than  
24 December 18th. Briefs will then be due by the parties  
25 by January the 18th close of business and they will be

1 emailed to me. And then on the 19th they will email  
2 their briefs to each other, okay?

3 As soon as we get the -- as soon as I get  
4 the briefs, this matter is closed, okay? The hearing  
5 is closed and when I get the briefs, which will be  
6 January the 18th, okay? And but -- now let me say  
7 this, if you need more time to write this up, then talk  
8 to each other about it, you know, go through Josh, say  
9 you need more time or whatever and that way y'all can  
10 get a date that's reasonable for you both, okay?  
11 Because there's a lot here to talk about, so you know,  
12 okay? Okay.

13 MR. ROSS: When you say email each other  
14 our briefs --

15 THE ARBITRATOR: Yeah.

16 MR. ROSS: -- is that through Josh?

17 MS. CHINERY: Yes.

18 THE ARBITRATOR: Oh, I'm sorry. That's  
19 right. That's right. You've got to send it to Josh  
20 first and then -- you know, send it to Josh, mine too,  
21 send it to Josh and Josh will send it to me, okay? And  
22 then the -- your -- your briefs to each other the next  
23 day to Josh and to me. I'm glad you reminded me about  
24 that. You know, in a regular setting, it's different.

25 MS. CHINERY: I have -- just to clarify,



1 so you want us to make all the charges to evidence,  
2 then transcripts by the 18th of December, January 18th  
3 we switch them with you and Josh, next day. So for the  
4 Vargas one, that's due December 30th, correct?

5 THE ARBITRATOR: Yeah.

6 MS. CHINERY: Is that -- can I ask about  
7 the other one, too? Okay. You said something --

8 THE ARBITRATOR: Let's go off the record.

9 (End of Volume 3.)

10 (Proceedings concluded at 1:15 p.m.)  
11  
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25

1 STATE OF TEXAS )

2 COUNTY OF DALLAS )

3 THIS IS TO CERTIFY THAT I, MELISSA J. CARSON,  
4 a Certified Shorthand Reporter in and for the State of  
5 Texas, reported in shorthand the proceedings had at the  
6 time and place set forth in the caption hereof, and  
7 that the above and foregoing 183 pages contain a full,  
8 true, and correct transcript of the said proceedings.

9 Certified to on this the 17th day of December,  
10 2021.

11  
12  
13 

14 MELISSA J. CARSON, Certified  
15 Shorthand Reporter in and for  
16 The State of Texas



17 Certification No. 1737

18 CRCB Firm Registration #489

19 Expires August 31, 2022

20 CARSON REPORTING & ASSOCIATES

21 Post Office Box 551628

22 Dallas, Texas 75355-1628

23 Telephone 214.346.3434


24

25

**Fwd: Ross - Post Hearing Brief 02/18/22****National Secretary**

Fri 2/18/2022 7:12 PM

To: Ruben Armendariz &lt;arbruben@gmail.com&gt;

 1 attachments (1 MB)

ROSS POST HEARING BRIEF.pdf;

Please see below and attached

Josh Black

National Secretary

Association of Professional Flight Attendants

Office 817.540.0108x822 | Email jblack

secretary@apfa.org

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**From:** 1rross@comcast.net <1rross@comcast.net>**Sent:** Friday, February 18, 2022 12:01:00 PM**To:** National Secretary <secretary@apfa.org>**Cc:** 'Gina Guidry' <guidrygina@yahoo.com>; 'Kit Gomez Alba' <sable227@gmail.com>**Subject:** Ross - Post Hearing Brief 02/18/22

Josh,

Please forward this Confidential email with Attachment to Arbitrator Ruben Armendariz and Charging Party. This Confidential Attachment is not to be Opened or Shared by any Party except Arbitrator Armendariz and the Charging Party.

Thank you Josh.

Regards,

Bob

---

February 18, 2022

Dear Arbitrator Armendariz,

Please accept the attached Post Hearing Brief as our finalized Closing Argument. We look forward to a resolution in this matter and that all parties can soon move forward.

Respectfully,

Bob Ross

916-284-2402 Mobile/Text

[1Rross@comcast.net](mailto:1Rross@comcast.net)

9/12/23, 3:07 PM

Mail - Liz Marko - Outlook

**Black Decl. Ex. O**  
Case 4:22-cv-00343-Y Document 236-1 Filed 04/26/24 Page 166 of 500 PageID.6083  
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Association of Professional Flight Attendants  
Article VII Charges  
Before Arbitrator Ruben R. Armendariz

Robert Ross  
Former APFA National President  
Charged Party

and

Melissa Chinery  
Sandra Lee  
Members  
Charging Parties

**ARTICLE VII CHARGES – ROSS – POST HEARING BRIEF**  
**Closing Brief**

By: Robert Ross  
[1Rross@comcast.net](mailto:1Rross@comcast.net)  
(916) 284-2402

Gina Guidry  
[Guidrygina@yahoo.com](mailto:Guidrygina@yahoo.com)  
(817) 793-8828

Kit Gomez Alba  
[Sable227@gmail.com](mailto:Sable227@gmail.com)  
(360) 270-9552



Charged Party Robert Ross  
Closing Brief

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## I. INTRODUCTION – Discussion / Background

Robert (Bob) Ross has currently been employed as a Flight Attendant/Purser at American Airlines for 38 years, beginning in 1983. During that time, throughout his career, he has been a trusted and respected member of the Flight Attendant labor union, Association of Professional Flight Attendants (APFA). For nearly twenty-five of those years, Ross held an appointed or elected position at both the local and national levels.

Bob Ross took office as APFA National President on April 1<sup>st</sup>, 2016, having won a landslide election with a 71% of votes cast. Bob Ross' years long reputation and trust among the predominantly Legacy American Airlines APFA members who, just over one year earlier had merged with US Air /America West Airlines, was instrumental in electing a member of their peers whom they trusted.

Bob Ross had been elected to a four-year term, starting on April 1, 2016. None of the candidates that ran for positions, nor any of the appointed department knew there was the potential for a re-run election in less than two years due to an ongoing DOL investigation into the electronic balloting process employed by APFA. It was discovered during the Ross Administration that the 2015 APFA Board of Directors (BOD) had been warned to revert to "Paper Ballots" to avoid any foreseen candidate complaints. Ross was not involved in any APFA leadership role in 2015 and would not have run for office or moved his family with that knowledge. An early DOL ordered re-run election caused much political turmoil to surface within the organization. It was impossible for Ross to successfully fulfill his campaign pledges or unite the membership. This was the reason Bob Ross chose not to re-Run for office for the remaining 18 months.

In 1977 the Association of Professional Flight Attendants (APFA) was founded. The most recent Constitution was approved by membership ratification in 1991. One of the more significant improvements to the Constitution was its authority to protect its Membership, Officers and Representatives, and ultimately the entity itself, through the **Article VII - Hearings and Disciplinary Procedures** process.

In the event of a **“willful”** act in violation of the terms of the APFA Constitution there is a process that could lead to an Arbitrated Hearing.

The intention and importance of this Article VII process was to provide a Fair and Equal opportunity for both the Accuser and the Accused so as not to violate the APFA Constitutional Rights provided for both parties. The APFA Constitution [Joint-Ex 1] parallels the U.S. Constitution in that they are to protect the Rights of all parties equally and to establish a Fair and Balanced procedure to establish the “Truth” behind charges or accusations and to adjudicate a fair and equitable discipline or remedy.

The intentions of the Article VII provisions and process were never designed to provide a means to weaponize this Article of the Constitution against a member, officer, or representative for personal or political gain. It was never intended to become a member’s vehicle to harass or cause great harm against an opposing member, officer or representative, as the Charging Party has done on a consistent basis and at the financial, psychological, and social harm to their Accused. The term “Vexatious Behavior” [Tr. 41, 1-16] was used to describe the actions of the Charging Party toward Ross over the last 5 years, and it financially harmed the membership and the Union.

For this reason, a deterrent for such actions was included.

**Article VII, Section 1.H** is an actionable charge and states –

**“Willfully bringing charges without reasonable basis against another member, officer, or representative of the Association, should such charges be dismissed for any reason by the Article VII Arbitrator designated herein, or should such charges not be sustained”**

Equally important in the process, is that of the Executive Committee (EC) to make an attempt to verify if the charges are indeed true and valid under **Article VII Section 1**, or if the charge is not protected under the Constitution or LMRDA Bill of Rights, that they are true.

This is an area of Article VII that Chinery and Lee use as a weapon against the person and not the practice. There are few avenues that provide the Accused the

opportunity to defend themselves against false charges prior to the Arbitration process.

Aside from being notified in a timely manner, so that the Accused can collect and provide proof or documentation on their behalf, and/or to attend an EC meeting on short notice in Dallas to speak to the charges or to show them to be Untimely and/or Not Valid. In essence, the Accused is at the mercy of the Accuser, and to some degree the EC as well.

The only requirement of the EC to find Validity and to pass charges, true or false, on to a costly Arbitration process for the Accused is to deem the accusations as Valid simply under the notion that “If the charges were true, then they are Valid”. In the case of the Ross charges, there was no fair or timely avenue for Ross to be notified and to defend himself against false charges outside the Article VII and Policy Manual, Section 17 procedures. Article VII Section 8 – Internal Remedies addresses the avenue an Accused shall be given to defend themselves prior to an arbitration.

A simple email or phone call to Ross in the days leading up to the EC meeting on Dec. 1<sup>st</sup>, 2020, could have avoided these costly and humiliating charges. But then again, as stated in the Ross Opening Argument these charges really have nothing to do with truth, honesty, or the protection of membership dues money. As stated in the Ross Opening Argument, these Article VII charges were filed by the Charging Party as a weapon against Ross and the Officers of the Ross Administration.

The underlying reason for these charges and the use of the Article VII process as their weapon is two-fold. Ms. Chinery feels she was slighted in 2016 because she was not automatically given a paid appointed position within the Ross Administration in exchange for her election support. This is what led to her vow on April 2, 2016 “**I will work tirelessly to make sure you are out of office**”. One day after Ross took office.

## II. STATEMENT OF ISSUE

The issue to be determined in these Article VII proceedings is whether former APFA National President Bob Ross “**willfully**” committed the act of violating

Article VII Section 1.F, as alleged by the Charging Parties, Melissa Chinery and Sandra Lee.

**APFA Constitution Article VII – Grounds for Charges – Section 1.F – Willful Violation:**

**Article VII Section 1.F.**

**“Willful violation of an express article of this Constitution, or a proper express written resolution or policy of the Board of Directors or the Executive Committee”**

The Charging Party has alleged that former APFA National President Ross willfully committed up to Eight (8) violations or infractions of the APFA Constitution or Policy Manual during his term from April 1, 2016, to March 2, 2018 culminating into a single Article VII charge. Documents and discussion presented show that most of the alleged violations are the direct result of a mutual and legally binding agreement known as the “Ross Transition Agreement” (TA) executed on March 1, 2018.

The below alleged violations were the direct result of the “Ross Transition Agreement” and because Ross accepted the terms of a resignation agreement authorized and freely offered by the 2018 Board of Directors (BOD). The Ross TA, and not the Policy Manual, was the controlling document for the following alleged violations.

**Charged Violation #5: Payout of Vacation**

**Charged Violation #6: Maintaining an Office**

**Charged Violation #7: Payout of Vacation Days**

**Charged Violation #8: Buyout**

The “Ross Transition Agreement” was deemed to be a legally authorized and acceptable agreement in the Award Summary by Arbitrator Valverde in the Arbitration case Moyer vs 2018, dated September 21, 2021. In fact, the agreement would have never been necessary, as a means to save the membership tens of thousands of membership dues dollars, if it weren’t for the misguided and irresponsible actions of Ms. Chinery and Lee. In the Award ruling by Arbitrator Valverde, in the case Moyer vs 2018 APFA BOD, heard on June 1-3, 2021, and subsequently awarded on September 21, 2021. In that case the Arbitrator found the dispute that Ross received a benefit he was not entitled to was **“without merit”**. The charges in that case were dismissed. Therefore, it stands to reason the Accusers, Chinery and Lee, would have no claim that Ross received a benefit from



the “Ross Transition Agreement” that he was not entitled to and any alleged violation stemming from his acceptance of the agreement, should be dismissed.

Whereas the Arbitrator, designated in these Chinery/Lee v Ross Article VII proceedings, has the jurisdiction and authority to rule on the validity of charges and the remedy sought by the Charging Party to the allegation. Did former National President Ross knowingly or “**willfully**” violate an express Article of the APFA Constitution or Policy Manual, and did Ross “**willfully**” violate any express article of the Constitution and/or Policy Manual when he accepted the terms of the “Ross Transition Agreement”? [Ex. R6]. The Arbitrator also has the jurisdiction and authority to dismiss the Article VII Charges against the Accused.

The Article VII Arbitrator also has the jurisdiction and authority to rule, if Melissa Chinery and Sandra Lee did “**willfully**” bring charges against former National President, Bob Ross, as well as against the other Officers of the Ross Administration without having just cause and/or sufficient evidence to sustain the charges.

**Article VII Section 1.G**

***“Willfully acting in a manner that causes the Association to violate its legal obligations.”***

Whereas it is within the right of the APFA BOD and Leadership to do all necessary to safeguard and protect APFA, They do not have the authority to unilaterally violate written agreements that harm a party to the agreement while aiding a non-involved member to the agreement in their quest to use that information against Ross.

**Article III Section 3.A. – Board of Directors**

**A. “The Board of Directors is authorized empowered to take any and all lawful action consistent with this Constitution to safeguard and protect the APFA and the rights, privileges, duties and responsibilities of the officers, representatives and members of the APFA. The Board of Directors is authorized to interpret this Constitution and to establish, prescribe and adopt such other policies which may be consistent with this Constitution as requires for the direction and management of the affairs of the APFA.**

By violating the NDA clause of the “Ross Transition Agreement”, APFA National President, Julie Hedrick, aided and abetted the agenda of Chinery and Lee to harm Ross and his family, financially, socially, and credibility.

The Charging Party used the information attained in the confidential agreement to libel Ross on social media, while misquoting and spreading misinformation from the agreement. After stating “we copied it word for word”, they made it appear to Ross’ coworkers that he demanded this agreement against the will of the BOD and profited from the agreement in a way that harmed the membership assets.

By supporting their actions against the Ross Administration in these Article VII proceedings and unilaterally violating the privacy of Ross by supplying the “Ross Transition Agreement (TA)” to the Charging Party, APFA deliberately violated stipulations #7 & #13 of the agreement.

**Ross Transition Agreement**

**#7 “The parties agree that the existence, terms and content of this Agreement are completely confidential...” and**

**#13 “The Parties agree to submit any and all disputes regarding the Validity and Enforcement of this Agreement to a mutually chosen arbitrator whose decision shall be binding on all Parties.... “**

### **III. STATEMENT OF FACTS**

- **April 2, 2016, a Social Medial Facebook post was declared by the Charging Party Melissa Chinery [TR. 383 9-23]**  
***“I will work tirelessly to make sure you are out of office”***  
***Melissa Chinery – April 2, 2016, 11:54pm***
- **Moyer vs 2018 BOD Arbitration - Trautman (witness) states he received no complaints from his base of 4500 Flight Attendants concerning Ross receiving the TA. Moyer Brief page 8 [Tr.404-15] (witness) testified that Attorney Mark Richards APFA Legal Advisor**

**gave him confidence that the Ross TA was a legal action per the constitution. Moyer Brief pg. 6 [Tr.346]**

- **Charging Party used the terms Embezzlement in their description of Ross' actions, yet they do not charge Ross with Embezzlement in any charges.**
- **At no time between April 1, 2016 and 2022 (nearly 6 years), including any period leading up to or surrounding the Ross Resignation, has any APFA Officer or representative in any capacity ever filed a single charge or violation of any Constitution or Policy Manual Provision, nor has any union official ever accused Ross or presented evidence of any wrongdoings alleged by Chinery and Lee.**
- **At no time was Ross ever "requested" to pay for missing furniture. Any monetary value given to accounts receivable by Ross was strictly voluntary and the sole decision of Ross to do so. For the Charging Party to twist that voluntary offer in good faith into an admission of wrongdoing is akin to "Let no good deed go Unpunished".**
- **The APFA 2018 Policy Manual Section 8.I.3.b.(3) was silent on inventory of apartment furniture or furnishings and only required that office equipment and furnishings with a value over \$125 be inventoried**
- **In charges Chinery and Lee state Tools and other items were never inventoried and were not returned to APFA when he resigned. In Fact: Ross left abruptly in Mar 2018. Three Administrations occupied APFA Headquarters between Mar. 2018 and Nov. 2020. The Charging Party would have no knowledge to allege Ross took any items simply because they were not located three years later.**
- **Erik Harris, APFA Treasure testified and agreed Ross is still owed pay for 12 "SICK" Days, per the Ross TA [Tr.171 23-25 / Tr. 172 1-3] [Tr.180 23-25]**

On Aug. 3<sup>rd</sup>, 2020, recently elected National President Julie Hedrick, at the advice of recently hired Attorney William Osborne, took it upon themselves to expose the "Ross Transition Agreement" to the Charging Party, while violating the APFA Policy Manual, 7.G.1, without any discussion or input from Ross. Osborne felt the terms of the agreement should not have been subject to an NDA requirement and that the NDA was in violation of both the APFA Constitution and the Landrum Griffin Act [Ex.R10] Mr. Ross disputed this action with Mr. Osborne [Ex. R10-11] as the unilateral decision to expose the agreement with "a member" was in violation of Stipulation #13 of the "Ross Transition Agreement, [Ex. R6] Doing so unilaterally was also a violation of Ross' Privacy under Article II Section 3.C.

President Hedrick gave Ross no prior notice or opportunity to object to the release of his Transition Agreement and it was released to Chinery and Lee the next day.

This action not only violated the terms of the Ross TA, Stipulation #13, it also violated the APFA Constitution Article VII, Section 1.F.

At no time was Ross afforded the terms of the Ross TA Stipulation #13 and to this day President Hedrick and APFA Legal counsel refuse to acknowledge that stipulation #13 exists, further violating Ross' rights under **Article II Section 3.D – “All members of APFA shall have the Right to Due Process and Equal Representation”**.

On June 1<sup>st</sup>, 2021, the Article VII case, Moyer vs 2018 BOD was heard by Arbitrator Valverde. This case was filed by former APFA member Julie Moyer, stating that the 2018 APFA BOD did not have the legal authority to authorize and enter into the confidential Exit Package, known as the “Ross Transition Agreement”, and that it did not have the authority to include an NDA. [Ex. R7]

What the Charging Party did with their knowledge of the Ross Transition Agreement as of Aug. 2020 was to rewrite the agreement separately, [Ex. R6B], changing many of the verbiage of stipulations and omitting portions of the agreement, after stating to the membership “they copied it, word for word”. Most notably and troublesome was the alteration of Stipulation #4 then releasing their document on social media as the original and accurate Ross Transition Agreement.

Were they given an altered document by APFA or did Chinery and Lee alter the document on their own prior to its release on social media? Through the record, the Charging Party states they haven't seen the Ross Transition Agreement. [Tr. 142 9-15] APFA to date has refused to meet to discuss the issue concerning the difference in language given to Chinery and Lee and what was portrayed as the actual document on social media declaring, “we copied it word for word”.

**Original Signed – Ross Transition Agreement (Stipulation #4) [Ex. R6]**

**#4 – “APFA Agrees to Pay ROSS all of his accrued and unused Sick and accrued and unused Vacation time, from April 1, 2016, through July 31, 2018.”**

**Altered Unsigned – Document [Ex.R6B]**

**#4 – “APFA agrees to pay Ross all of his accrued and unused back vacation time from April 2016 through July 31, 2018.”**

Note the omission of the reference to “accrued and unused “Sick” time in the altered document and the additional word “back” vacation time. The word “back” is not mentioned in the original document and the exclusion of any reference to Ross’ “accrued and unused Sick time” from April 2016 (missing April 1), gives the illusion, when compared to the final payout Ross received, that Ross was overpaid.

This altered document was not only spread to many Facebook and social media outlets, it was given to the Director of the Dallas DOL and to Aviation news columnists. It was also used as the supporting documentation in the Moyer vs 2018 APFA BOD Article VII case and in other Article VII charges against the Ross administration. The Executive Committee’s decision and vote on validity was also based on this altered document, not to mention all correspondence to Arbitrator Howell Lankford was based on this altered Transition Agreement.

At no time was it made known that the Ross TA, used to incriminate Ross as well as the 2018 BOD and other members of the Ross administration, was in fact an altered and unsigned document.

Even more troubling is that members of the 2018 BOD were still on the 2020 BOD and, as signators to the agreement, had direct knowledge of the Ross Transition Agreement because they signed the agreement. Yet to date, at no time has the APFA BOD or its legal staff acknowledged that the altered Ross TA had led them to believe Ross was overpaid. In fact, the original signed TA does not state that the formula for payments of accrued and unused Sick and Vacation were to be paid “per policy” for a normal end-of-term officer.

Mr. Osborne was fully aware of a similar Resignation Transition Agreement [Ex. R8 Amicus Brief] between the 2015 APFA BOD and the former National President Laura Glading. Ms. Glading was also persuaded to resign early in October 2015, months before the normal end of her term. That 2015 Glading TA was never exposed to the membership in Aug. 2020, as was the Ross Agreement, even though it also contained an NDA that Mr. Osborne felt was not legal in the Ross Agreement. The Glading agreement contained, not only a similar NDA as the Ross Agreement, but it also contained language stating Glading is to be made whole for advancing her resignation date and that Glading was to receive a pay formula similar to that which Ross received. That included salary, SAF and related



payments, vacation and sick accrual and health insurance. Nowhere in the Glading or Ross agreements does it state payments were to be made in accordance with the APFA Policy Manual. [Ex. R8 Amicus Brief ]

**Agreement between the APFA BOD and National President Laura Glading**

**Stipulation #2**

“Laura shall receive all of the compensation and benefits that she would have received had she resigned effective December 2, 2015 and shall be made whole for advancing her resignation date. This shall include but not be limited to:

- a. Through December 2, 2015:
  - 1) National President Salary
  - 2) SAF and related payments
  - 3) Vacation and sick leave accrual; and
  - 4) Health and other Insurance
- b. One month’s Transition accordance with Section 6.B.7 of the APFA Policy Manual
- c. Accrued vacation and accrued sick leave payout
- d. Make whole for the flex spending account money Laura shall forfeit; and
- e. Expenses in connection with returning her car and her personal possessions to her permanent residence.

**Stipulation #6**

“Neither Laura nor any member of the Board, in their official or personal capacities, shall state or imply, either publicly or privately, that in exchange for advancing her resignation date Laura sought and/or was given and payment or other financial benefit to which she would have not been entitled had her resignation been effective December 2, 2015.”

**Stipulation #10**

“Except as may be necessary to enforce this Agreement, the existence of this Agreement and its terms shall remain strictly confidential, and shall not be shared oin writing or verbally with any parson or entity other than the current Base Presidents and the current National Officers”

As is shown in the stipulations from the 2015 Glading agreement above, stipulations are worded differently but similar in intent and enforcement. However, the Ross Agreement has been the target of National President Julie Hedrick and her hired outside legal counsel William Osborne for the intent to nullify the NDA of the Ross TA and expose the contents of the Ross TA to the Charging Party. Mr.

Osborne is apparently an APFA Paid Attorney that Ross, as a current member of the APFA BOD, has never met. Neither Mr. Osborne nor National President Hedrick have ever consulted with Ross as a BOD member on any issue or direction of APFA.

Mr. Osborne's role was to determine that the Terms of the Ross TA and the NDA within it were not legally negotiated in accordance with the Landrum Griffith Act in an effort to expose the agreement in support of an Article VII campaign by the Charging Party. By doing so the Agreement could be provided to the Charging Party and terms within the agreement could then be scrutinized as violations of APFA Constitution and/or APFA Policy manual by Ross. If successful, Chinery could once again petition the APFA BOD to remove Ross from his position as San Francisco Base President and BOD member.

The fact that a similar Resignation TA was negotiated and authorized by the APFA BOD has never been a deterrent for the 2020 BOD or EC from allowing the Charging Party to move forward with Article VII as valid charges. This information would have certainly come out early in the process had **Article VII Section 8 – Remedy** been afforded Ross as a course of action. That would have been an opportunity to deem all violations in the Chinery/Lee vs Ross Article VII charges invalid and most certainly all alleged violations having to do with the terms approved by the BOD in the Ross TA.

Any alleged violation having to do with the terms of the Ross TA should be considered invalid and withdrawn by the charging party or dismissed by the Article VII Arbitrator, as they were not a "Willful" violation of any provision in Article VII Section 1. As it stands now, all violations pertaining to the provisions in the Ross Transition Agreement have been deemed legally authorized by the BOD, as per the award in the Moyer vs 2018 BOD Article VII case heard on June 1, 2021, by Arbitrator Valverde.

It is ironic and contradictory to think that APFA and Attorney Osborne would defend the 2018 BOD, in the Moyer vs 2018 BOD arbitration, as it supported the Union's position that the Ross Agreement, with its NDA, was entered into legally at the advice of then APFA Legal Counsel, Mark Richard in 2018. However at the same time APFA President Hedrick and Attorney Osborne unilaterally exposed the Ross TA by deeming the Agreement's included NDA to be invalid. This Attorney

William Osborne immediately exposed the agreement to Chinery and Lee in August 2020 [Ex.9&10] without consulting Ross who was a party to the agreement and was directly harmed when Chinery and Lee exposed the agreement to the membership. The Ross TA is the center point of several Charging Party's accusations.

This disparate treatment against Mr. Ross is a violation of APFA Constitution Article II Section 3.C and D.

**Article II Section 3 – Bill of Rights of Members**

**C. All members of the APFA shall have the right to individual privacy**

**D. All members of the APFA shall have the right to Due Process and Equal Representation.**

By denying APFA member Ross his equal rights under the APFA Constitution Article II Section 3.C and 3.D; and by violating Ross' rights under the conditions and stipulations of the 2018 Ross TA, APFA President Hedrick, with the aid and support of the 2020 BOD has also violated **Article VII Section F – Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee.** Although the verbiage, "or Agreements of the BOD" is not specifically written in the Article VII Section 1.F, the Ross TA is a legally signed and authorized Agreement by the Board of Directors. Willfully violating the intent and terms of stipulations within the agreement, without the knowledge or consent of Ross. This a violation of the express written agreement. The BOD and Ross entered into the agreement upon the advice of long-time labor attorney Mark Richard. Mr. Richard is a long-practiced attorney with decades of experience in labor law.

One important element of the Article VII process that could have, and should have, been exercised as a means to seek the truth to these charges and to avoid the costly and damaging Article VII Arbitration process was not provided. Mr. Ross' right to Due Process was violated because at no time was Ross offered remedy under the terms of **Article VII, Section 8 – Internal Remedies:**

**Article VII Section 8 – Internal Remedies**

***"Members, Officers and Representatives shall exhaust internal remedies under this Article for a period not to exceed four months prior to taking any legal action against***

***members, officers or representatives of the APFA with respect to matters cognizable under this Article VII”***

In fact, Mr. Ross was not notified in a timely manner that Article VII charges had been filed against him. He never knew there was any issue with any aspect of his previous tenure as APFA National President from over 2 years prior until days after the EC had meet and ruled on the charges to send them to Arbitration. This is not how the Article VII process was intended to be used. At no time was it assured that Ross was properly notified of Article VII charges submitted by the Accusers until after the EC had meet and heard the charges on Dec.1<sup>st</sup>, 2020. At the very least, Ross should have been offered a form of mediation and the ability to rectify any issues that were unknown to him prior to or in lieu of Arbitration against false charges.

Regardless of the language in the **Constitution Article VII** or **Policy Manual Section 17**, this was an abrogation of Ross’ due process rights as afforded to every APFA member according to **Constitution Article II Section 3.D – Bill of Rights of Members:**

**Article II Section 3.D**

***“All members of the APFA shall have the right to Due Process and Equal Representation.”***

Mr. Ross has now been needlessly embroiled in these Article VII charges and has endured an additional 14 months of social media harassment and libel by Ms. Chinery and Ms. Lee, which has created a hostile work environment by the cult like followers who react to Chinery’s daily Facebook attacks against Mr. Ross. These daily attacks include constant social media libel as well as letters to the APFA BOD including their Attorneys, the DOL Dallas District Inspector and to News media outlets and reporters, as recently as Jan. 22<sup>nd</sup>, 2022.

Melissa Chinery continues to follow through with her social media post:

***“I will work tirelessly to make sure you are out of office”***

***Melissa Chinery – April 2, 2016 @ 11:54pm***

## IV. VIOLATION AURGUMENT

### A. Misuse of Credit Cards

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.G. as “Business Related Expenses”.

Chinery and Lee state that multiple purchases violate Policy Manual 5.G – Business Related Expenses, however, Business Related Expenses are actually defined in Policy Manual Section 5.F.5. Section 5.G is “*Other Expenses*”.

**5.G Other Expenses – Actual out-of-pocket expenses incurred by a member conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for personal profit of the APFA member, but to compensate him/her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.**

The parties cited the wrong policy in their support of these charges, evidence of their lack of understanding the process and policy. No purchases made on the Ross union credit card was submitted for reimbursement on the weekly/monthly expenses. Receipts were submitted for each credit card charge and reviewed per policy by the appropriate accounting and legal departments. Chinery and Lee admitted they did not review any other administrations union credit card charges for similar purchases or past practice or for expenses when said officers relocated to DFW.



## **B. Misuse of Rental Car / Section 5.H. Relocation**

Charging Party have alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.H. Relocation.

### **Policy Manual Section 5.H.4 – Relocation states:**

**In addition to H.2 or H.3 above, the APFA will reimburse a National Officer/Chair for the cost of relocating one (1) personal automobile to/from the DFW area. Such reimbursement will be either for actual shipping charges or the applicable mileage rate by the APFA Board of Directors.**

Chinery and Lee have alleged that former APFA National President, Bob Ross, billed APFA for a rental car when he relocated to Dallas. Provided in an email dated March 20, 2019. [Tr.364 23-25andTr.365 20-25] [Ex. R31] This email to the APFA National Treasurer substantiates a timeline that is outside the scope of timeliness that could be used in these charges.

The use of a rental car, billed to the National President's department during the timeframe according to the Charging party's allegation, is coincidental to the timeframe of the Ross relocation, but was not as a condition of the relocation. 2016 APFA Policy Manual Section 5.H – Relocation – was silent on the use of rental cars in connection with or during the timeframe of a relocation.

This issue was previously reviewed by the APFA BOD at the time the email was sent to the National Treasurer in March 2019. The APFA BOD and Budget Committee members tasked with this review took no action on this matter and the issue was closed. [Tr. 366 1-18]

Point of clarification: Several rental cars were rented through the President's office for numerous representatives during this time frame and not specifically to Bob Ross for personal use. [Tr. 390 10-25] [Tr. 422 10-25] Department representatives having access to rental cars during this timeframe included, but is not limited to, uniform committee members, toxic fume events and other committee representatives. At no time did the Charging Party cite evidence that a rental car was provided for Ross' sole personal use.

## **C. Reimbursement**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.G. – Other Expenses / Mileage.

### **Section 5.G: Other Expenses:**

#### **5.G.1.b. (1).(a) Mileage:**

**[2]. Mileage shall not be reimbursed for travel between the representatives' residence and an APFA office that has been provided for the primary use of the representative for a period in excess of 31 days.**

Chinery and Lee have formed their own theory and alleged that former APFA National President, Bob Ross is in violation for claiming mileage for attending meetings with the Company or claiming mileage for any event outside of APFA headquarters while conducting APFA business while using a rental car.

At no time did Bob Ross, file for reimbursement for mileage from his residence to the APFA headquarters. The Charging Party did not present evidence that Ross claimed a mileage reimbursement while using a rental can and not his own vehicle.

Section 5.G.b.1(a)[1] is silent on a specific vehicle to be used in the reimbursement of mileage. At any given time, an APFA Representative could be subject to using their personal vehicle or a "Rental Car" for conducting APFA business.

## **D. SAF/MEA and Meal Expenses**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.F: Business Related Expenses:

### **Section 5.F.5. Business Related Expenses:**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack, or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.**

- 1. Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to the limitation and revocation of this privilege.**
- 2. In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the “guest” for the purposes of this provision.**

APFA had no policy on how to differentiate or separate any amounts from the guaranteed MEA/SAF totals when National Officers, Regional Representatives, National Chairs, or other Representatives, who are authorized a full month trip removal pay and are receiving guaranteed stipends of MEA/SAF and are considered a host of an authorized APFA meeting.

APFA also had no policy in place until 2021, for a National Officer in relation to one's union credit card practice. At the APFA BOD Convention in March 2021, APFA National Vice President, Larry Salas, put forth Resolution #10, Business Related Meals which provides a clear policy on reimbursement of business-related meals and group meals and entertainment expenditures. The resolution unanimously passed. Resolution #10 [Ex. R39] was not only put forth to establish policy but to prevent further Article VII charges against APFA leadership.

This resolution secures the established practice for an APFA Representative authorization to pay for meals of a guest associate when the representative would be considered the host of an authorized APFA function or meeting, while not counting against the representatives MEA. Examples would be the National Treasurer providing lunch for the Budget Committee, the National Vice President providing lunch for their Regional Representatives or the National President providing lunch for their PR Firm, Negotiating Committee or Department Chairs.

Once again, the Policy Manual was silent on this issue. Had Ross been afforded the rights under Article VII, Section 8 – Internal Remedies, these facts would have surfaced within the four months prior to taking any legal action against Ross, who was a member at the time of charges.

## **E. Payout of Vacation – Change of formula to include MEA/SAF**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of 5.E.4 Special Assignment Fee (SAF) and 5.F.1 Meal Expense Allowance (MEA) rates:

### **Special Assignment Fee (SAF) Policy:**

The intent of the SAF is explained in Section 5.E.1

**5.E.1.a. – The intent of the Special Assignment Fee (SAF) is to offer payment to the representatives for the days that they conduct APFA business in excess of their normal scheduled bid line. Amounts paid under this arrangement are reportable as wages on the representative’s W-2 and are subject to withholding and payment of employment taxes.**

**5.E.4.a.(1) – If a Representative performs work for the APFA, and is not otherwise paid for that day’s work by means of an APFA Paid Trip Removal.....such representative shall receive the Daily SAF for work performed in accordance with the following schedule.**

**Calculation for the National Officers’ SAF is specifically delineated in Section 5.E.4.c – SAF Rates – Monthly –**

**(c)National Officers and Regional Representatives: \$400 minimum, but not to exceed \$500 maximum.**

### **Meal Expense/Meal Expense Allowance (MEA)**

**Guaranteed MEA at Residence is explained in Section 5.F.3.a**

**5.F.3.a – On days a representative is both trip removed and performing work for the APFA at his/her residence city, such representative will receive a “Guaranteed MEA at Residence” in lieu of any actual MEA at residence as provided in F.2.**

**5.F.3.d – National Officers, Regional Representatives, National Chairs and other representatives who are authorized full month trip removal or the equivalent shall receive a “Guaranteed MEA at Residence” of Three Hundred dollars (\$300) per month.**

#### **Section 5.F.4.a – Calculation of MEA**

**National Officers, Regional Representatives, National Chairs and other representatives who are authorized full month trip removal or the equivalent (e.g. “Payback as provided in D above) shall receive a minimum MEA of Three Hundred dollars (\$300) per month**

#### **Maintaining an Office Outside of Residence (MOOR)**

**Maintaining an Office outside of residence is required of APFA President, as the office is located and maintained at APFA Headquarters and is paid in addition to SAF.**

**5.E.4.c.(3).(a) – A National Officer, Regional Representative, National Chair, Base President and/or Base Vice-President who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.**

#### **5.F.1.a.(1) – Per Diem Rate (Accountable Plan)**

**(1) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA. Also required for the purposes of calculating how much Special Assignment Fee (SAF) an officer receives, it is imperative that the officer fill out the required weekly paperwork that would ascertain how many hours were worked for the APFA.**

All payouts and formula used to calculate the payout for vacation, sick and end of term buyout of accrued and unused Sick and Vacation days occurred after former APFA President Ross had left office and was the product of a Transition Agreement and not specific to APFA Policy. Through sworn testimony, former APFA National Treasurer, Eugenio Vargas, used full salary vs basic salary in these calculations, which include MEA and SAF in compliance with the terms of the controlling document, the Ross TA.

National Officer or Regional Representative on a full month trip removal shall receive per policy a \$500 maximum of SAF payment.

National Officers, Regional Representatives, National Chairs and other APFA Representatives on a full month trip removal shall receive a minimum Guaranteed MEA of \$300 per month.



Each National Officer, per policy, each month received the guaranteed amount of \$1050 (\$500 SAF, \$300 MEA and \$250 MOOR) in addition to basic salary. This amount was determined by the APFA Accounting Department. [Tr.136-138] and was the combined stipend included as Salary and Benefits per the Ross TA used by the former APFA Treasurer, after Ross left office, to calculate the daily rate of unused Sick and Vacation Days that Ross was not allowed to use during his final 5 months as National President to “make him whole”. These amounts were paid after Ross left office and as a condition of the Ross TA. It is irrational for the Charging Party to request that weekly timesheets were required to receive these payments for the months after Ross left office.

On January 14, 2022, an APFA document surfaced that was withheld from document retrieval that corroborates the Policy Manual was not the controlling document to the Ross TA and therefore Ross was paid in compliance with the TA. This document would have been exculpatory to the defense of Mr. Ross on this and other matters pertaining to the Ross TA had it been provided.

## **F. Maintaining an Office (MOOR)**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.E.3 Maintaining an Office Outside of Residence:

### **Maintaining an Office Outside of Residence (MOOR)**

Maintaining an Office outside of residence is required of APFA President, as the office is located and maintained at APFA Headquarters and is paid in addition to SAF.

**5.E.4.c.(3).(a) – A National Officer, Regional Representative, National Chair, Base President and/or Base Vice-President who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.**

National Officers, Regional Representatives, National Chairs and other APFA Representatives on a full month trip removal shall receive \$250 per month for maintaining an office outside of residence.

Each National Officer, per policy, each month received the guaranteed amount of \$1050. This amount included \$500 for SAF, \$300 for MEA and \$250 for office outside of residence. This amount was determined by the APFA Accounting Department and provided to all National Officers as part of their salary. This charge also should be dismissed as Ross did not pay himself the payments under the terms of the Ross TA.

## **G. Payout of Vacation Days**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 6.B.1: National Officer Salary and Benefits

### **B.1: Vacation:**

**c. – At the end of a fiscal year, up to fourteen (14) days of any unused APFA vacation allowance will be paid to the National Office at a rate prorated on the National Officers' annual salary for the period of APFA vacation allowance owed.**

Any change to the formula used to calculate the payout for vacation, sick and end of term buyout occurred after former APFA President Ross had left office. Through sworn testimony, former APFA National Treasurer, Eugenio Vargas, used full salary vs basic salary in these calculations, in compliance with the Ross TA.

The Ross Transition Agreement stated Ross would be paid any and all accrued and unused sick and vacation from April 1, 2016 – July 31, 2018. The calculation of the unused days was to be paid as though Ross was able to use any of those days while in office as President for his remaining 5 months had he not resigned. [Tr. 147 25 / Tr. 148 1-2] There was no agreement that these days were to be paid per Policy as the Charging Party insists. [Tr. 160 12-18] [Tr.182 3-9]

It has, however, been determined in sworn testimony by the APFA National Treasurer, Erik Harris, that Bob Ross was incorrectly paid for his accrued and

unused Sick days per the Ross TA. To date, Ross is still owed monies for 12 days of sick time per the agreement. [Tr.171 23-25 / Tr. 172 1-3] [Tr.180 23-25]

Ironically, an investigation into the payout of the Sick and Vacation days paid, brought about by the Charging Party's allegations, it was discovered Ross was not properly paid "All" of his accrued and unused Sick days from April 1, 2016 – July 31, 2018. Ross earned and did not use 18 Sick days in each of the fiscal years April 2016-March 2017 and April 2017-March 2018. Ross was only paid Per Policy 6.B.3.d Offset/Loss of Sick Time, of 12 days for each fiscal year. The additional 12 days, (6) days Apr. 2016-2017 and (6) days Apr. 2017-2018 have still not been acknowledged or paid to Ross in accordance with the Ross TA. The value of these lost Sick days, depending on the calculation used, is in excess of \$3400 still owed to Ross.

The fact that "Sick Days" was not mentioned in these charges, when the payout of sick days was identical to the payout of vacation days lends credence that the altered Ross TA document was used as the basis for these Article VII charges.

## **H. Buyout**

Charging Party alleged that former APFA National President, Bob Ross, failed in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of the Ross Transition Agreement. The Charging Party states:

**"As has been recently revealed, former President Bob Ross received a "buyout" from the APFA Board of Directors, and was compensated for leaving office. Indeed, he collected more money than if he had remained in office for the four (4) months left in his term. However, once Mr. Ross left office, he asked for and collected from the APFA compensation in two forms he was not entitled to per the "agreement." One form of compensation which he received every month was MEA and SAF and Maintaining an Office Outside Residence. Mr. Ross continued to collect one thousand and fifty dollars (\$1050) a month."**

**"He collected these payments for the months of: March, April, May, June and July of 2018. This stipend is clearly hinged on reimbursement related to work and not part of the National Officer salary. To accept this money is in clear**

**violation of the intent of the Policies written that allows a representative extra compensation for working hours above and beyond their scheduled workload. By taking this money this is another violation of the Section 5 policies outlined above.”**

Charging Party alleged that former APFA National President, Bob Ross, **asked** for and collected more compensation than he was entitled to in the Ross Transition Agreement.

In February 2018, in Charlotte, North Carolina, the APFA BOD convened for their annual convention, the voting BOD, under strict consult of APFA legal counsel, Mark Richard negotiated the Ross Transition Agreement.

These negotiations were solely between the voting BOD, APFA Legal Counsel Mark Richard and APFA President Bob Ross.

Bob Ross was to receive no more or no less than he would have received had he remaining in office. The APFA Treasurer was tasked with the payout of this agreement by viewing only the economic portions of the Agreement which encompassed stipulations #3, #4 and #5. There was no copy of the Ross Transition Agreement on file at APFA headquarters.

Stipulation #3 of the Ross Transition Agreement states “APFA agrees that Ross will continue to receive from APFA his current **full** salary and benefits, including full insurance coverage, through July 31, 2018. [Tr.190 12-23]

**Full Salary** for a National Officer, per the APFA Policy Manual, Section 5 entitles the officer to receive guaranteed MEA, SAF, and Office Outside of Residence payment. This guaranteed payment is \$1050, which is considered gross wages and recorded in “Box 1” of the National Officers W-2 tax form.

Former APFA National Treasurer Vargas has stated in sworn testimony he used full salary vs basic salary for all calculations in compliance with the Ross Transition Agreement. This full salary calculation would include the benefits of MEA, SAF and any accrued and unused sick and vacation that he would have coming to him as President for those 5 months (4/1/16-7/31/18), as if he remained in office. [Tr. 147 25 / Tr. 148 1-2]

While the Charging Party state in their remedy sought, that the payments to Ross were “designed to inflate pay and benefits that Mr. Ross received”, the purpose of the Ross TA, offered and authorized by the APFA BOD was to “make Ross whole” not to inflate pay and benefits.

The NDA on both the Glading and Ross Transition Agreements were lifted at the same time by APFA National President, Julie Hedrick, allowing both Chinery and Lee to view both agreements in their entirety for language and payment comparisons. This review would provide the timeline needed to hold all parties accountable for the alleged improper calculation used in the Glading agreement and afford them the opportunity to continue their vigorous campaign to discover the truth. To date, no other Article VII charges have been filed against any member of the APFA Leadership in regard to the Glading agreement.

Article VII charges were filed against the 2018 APFA BOD by member Julie Moyer, questioning their constitutional authority as the governing body to safeguard and protect APFA by entering into the Ross Transition Agreement.

The hearing in the matter of arbitration between Julie Moyer and the 2018 BOD, before Article VII Arbitrator, Edward B. Valverde was held on June 1-3, 2021, with a decision on September 21, 2021.

Arbitrator Valverde found credible evidence that the action of the APFA BOD was permissible under the provisions of the APFA Constitution and the charges brought forth by Julie Moyer were without merit. The matter was dismissed in its entirety.

Based on the “Award” in the Moyer vs the 2018 BOD, we ask that any portion of these charges associated with the Ross Transition Agreement be found invalid, which through the award was proven the BOD acted within their constitutional authority under Article III, Section 3.A. of the APFA Constitution.



## V. Conclusion

The premise of Ms. Chinery and Ms. Lees's allegations are that former APFA National President Ross "willfully" violated APFA Constitution Article VII, Section 1.F, "Willful violation of an express article of this Constitution, or a proper express written resolution or policy of the Board of Directors or the Executive Committee"

In these Article VII charges the "Burden of Proof" belong to the Charging Parties, Melissa Chinery and Sandra Lee. The obligation to present and meet this criteria has not been meet.

Based on their obvious flawed Article VII charges, the personal attacks against former APFA National President, Bob Ross, starting as a vow on social media on April 2, 2016, which started this vicious journey, along with the failure to prove their case, while ignoring any and all past practice at APFA. The actions of Mr. Ross, in these charges, was not deliberate, intentional, premeditated and they were not "Willful".

We ask that the Article VII charges against Bob Ross be dismissed in their entirety.

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct original of the foregoing was sent via electronic email to APFA Secretary, Josh Black, email: [Secretary@apfa.org](mailto:Secretary@apfa.org) on this 18<sup>th</sup> day of February 2022.

By: /s/ Kit Gomez Alba, Representative  
/s/ Gina Guidry, Representative


## Letter

Kit Gomez Alba <sable227@gmail.com>

Sun 2/27/2022 8:54 PM

To: National Secretary <secretary@apfa.org>

Cc: 1Ross <1rross@comcast.net>

 2 attachments (485 KB)

Oct. 22. 2020 Audit Bob Ross.pdf; Bob Ross Letter to Arbitrator Feb 26 1d 1 1 1 1(1).docx;

Dear Josh:

Please forward this letter immediately to the Arbitrator.

Thank you.

Kit Gomez Alba

Co-counsel for Bob Ross

February 26, 2022

Dear Arbitrator Armenderiz:

We apologize for bothering you after submission of our final post-closing brief, however vital information came to our attention and we thought it prudent for you to have in your possession while considering this matter. Attached is a document that Mr. Ross received in the mail on February 11, 2022 related to a separate legal matter. His legal counsel considered it confidential and only gave us permission to release it to you today. This document was attached to a separate Tarrant County court filing, referred to as Exhibit B, called "Confidential Memorandum" dated October 22, 2020. It appears to have been drafted and issued by the accounting firm Wood, Stephens & O'Neill, LLP. This is an independent accounting firm with long history of working with APFA. This "Confidential Memorandum" was directed to the APFA Board of Directors and the APFA Executive Committee and states the following:

**"To prepare an overpayment schedule of the accrued and unused sick, and accrued and unused vacation time payments made to Bob Ross in 2018, similar to the overpayment schedules we prepared previously for the other three officers. Please see the enclosed schedules B and C for each officer. These overpayment schedules for the other officers were previously provided to the Board of Directors. Please note the Bob Ross confidential transition agreement states that he will be paid all his accrued and unused sick, and accrued and unused vacation time. *This agreement doesn't specify that the payments be made in accordance with the policy manual guidelines. Consequently, these payments appear appropriate and in compliance with the transition agreement.* This agreement also specifies reimbursement payments to him of up to \$10,000 in actual moving expenses. His moving expense reimbursement payments did not exceed this amount."**

We need to make you aware of this document since Mr. Ross was never given a copy of this in the document dump delivered to us by APFA just before arbitration hearing.

We believe this document may have been intentionally withheld due to the nature of its content and the fact it is exculpatory with regard to the calculation Ross' sick and vacation pay as well as his moving expenses under his transition agreement.

The intended recipients of this document were the APFA Board of Directors and Executive Committee. We have confirmed the intended recipients were in fact, never shown this document. Had the Executive Committee been given this document for review, this would have had significant impact when they were considering the validity of the charges against Mr. Ross. To have withheld a document from its intended recipients (the governing body) is indicative of nefarious behavior within APFA

Had this document been properly disseminated, it's existence would have been known and could have been used in Mr. Ross' defense at the hearing. It has only surfaced due to being obtained in the separate legal issue.

We therefore request that this document be included for your review under the APFA Policy Manual Section 17.Q, which allows for consideration of additional documentation, information and testimony after the closing of a hearing upon “showing good cause.” The relevant language from the Policy Manual is as follows:

**"Section 17.Q: REOPENING THE HEARING**

**1. At any time prior to the issuance of the Arbitrator's decision, a hearing may be reopened.**

**a. A hearing may be reopened only upon the showing of good cause."**

Good Cause clearly exists, as this clarifying document was withheld despite its exculpatory nature. It is reasonable to assume that it was withheld because of its content. It should not escape your notice that this document was something Mr. Ross should have been made aware of this internal matter.

Furthermore, we now must question whether Ms. Chinery and Ms. Lee were made aware of this document by Mr. Black who was one of the recipients. We must also question the impartiality of Mr. Black and other APFA National officers as they recently attended the wedding of Ms. Chinery in Hawaii to one of APFA's attorneys. We await your response to these matters and request that no award is rendered without consideration of this important document. We are enclosing the document for your review and entered into the record.

If you have any questions, please feel free to contact us.

Sincerely,

/s/ Kit Gomez Alba

sable227@gmail.com

Co-counsel for Robert Ross

Cc: Robert Ross

Gina Guidry

Attachment: October 22, 2020 Audit

**Liz Marko**

---

**From:** Ruben Armendariz <arbruben@gmail.com>  
**Sent:** Monday, February 28, 2022 3:37 PM  
**To:** National Secretary  
**Subject:** Re: Letter

Good Afternoon Josh, please forward to Ms. Gomez Alba.

Dear Ms. Gomez Alba,

I have reviewed your request to reopen the record on the the Ross Case. While I recognize the Policy Manual states;

**"Section 17.Q: REOPENING THE HEARING**

**1. At any time prior to the issuance of the Arbitrator's decision, a hearing may be reopened.**

**a. A hearing may be reopened only upon the showing of good cause."**

Your request at this juncture to reopen the record is hereby denied. I am comfortable with the record as it stands now. This issue was raised and argued at hearing. I do not believe a showing of further good cause or additional substantive material should be introduced into the record as I believe the record is complete regarding the issue raised herein.

Yours truly,

Ruben Armendariz, Arbitrator  
Member: National Academy of Arbitrators  
29010 Pfeiffers Gate  
Fair Oaks Ranch, TX 78015  
[arbruben@gmail.com](mailto:arbruben@gmail.com)  
210-379-0860

On Feb 28, 2022, at 11:52 AM, National Secretary <[secretary@apfa.org](mailto:secretary@apfa.org)> wrote:

Please see attached

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**From:** Kit Gomez Alba <[sable227@gmail.com](mailto:sable227@gmail.com)>  
**Date:** Sunday, February 27, 2022 at 8:54 PM  
**To:** National Secretary <[secretary@apfa.org](mailto:secretary@apfa.org)>  
**Cc:** 1Rross <[1rross@comcast.net](mailto:1rross@comcast.net)>  
**Subject:** Letter

Dear Josh:  
Please forward this letter immediately to the Arbitrator.  
Thank you.



Kit Gomez Alba

Co-counsel for Bob Ross

<Oct. 22. 2020 Audit Bob Ross.pdf><Bob Ross Letter to Arbitrator Feb 26 1d 1 1 1 1(1).docx>

**In the Matter of Arbitration Between**

**APFA Charging Party Members  
(Plaintiff)**

**And**

**APFA Charged Party Member  
(Defendant)**

**Alternate Article VII Arbitrator Ruben R. Armendariz**

**The Westin Irving Convention Center at Las Colinas, 400 West Las Colinas Boulevard, located in the City of Irving, Texas.**

**June 16, 2021, continued to November 17 and 18, 2021**

**For Charging Party Members:  
(Plaintiff's)**

**For Charged Party Member:  
(Defendant)**

## INTRODUCTION

This is an Article VII Hearing that was heard at the Westin Irving Convention Center at Las Colinas, Irving, Texas on June 16, 2021 and continued to November 17 and 18, 2021. The arbitration hearing was transcribed by Carson Reporting & Associates.

Charging Party Melissa Chinery and Sandra Lee, will be hereinafter referred to as the “Plaintiff.” Charged Party Robert Ross, will be hereinafter referred to as the “Defendant.”

Plaintiff presented for testimony Cathy Lukensmeyer, Erik Harris, Michael Trapp, John Nikides and Melissa Chinery.

Defendant presented for testimony Casey Veloso, Anthony Thuriault and Robert Ross.

All of these witnesses were afforded full opportunity to be heard, to be examined, and to be cross-examined. The parties were allowed to introduce evidence on the issues. Based on the entire record, my observation of the witnesses, examination of the evidence, exhibits presented, post-hearing briefs<sup>1</sup> submitted, and arguments presented therein, this arbitrator makes the following findings and renders the following Discussion, Opinion, and Award.

## THE ISSUES

Plaintiff submits the issue to be addressed by the Alternate Article VII Arbitrator is stated as follows:

Did Bob Ross, the Defendant herein violate the APFA Policy Manual and the APFA Constitution by engaging in malfeasance, fraud, misappropriation of funds while he was in office during the term of April 1, 2016 to March 2, 2018. If so, what shall be the appropriate remedy?

Defendant submits the issue to be addressed by the Alternate Article VII Arbitrator is stated as follows:

Whether the Plaintiff’s allegations raised against him are true or false? Did former National President Ross knowingly or “willfully” violate any express Article of the APFA Constitution or Policy Manual? If so, what is the appropriate remedy?

## FACTS

The facts in this matter center on Defendant Ross assuming office as the APFA National President and moving to Dallas, TX during the months of April 2016 through October 2016.

<sup>1</sup> The parties agreed to submit post-hearing briefs by e-mail to [arbruben@gmail.com](mailto:arbruben@gmail.com) on January 31, 2021 and extended to February 18, 2021. The post-hearing briefs were timely emailed and received. Thus, the arbitrator finds the record in this matter closed on February 18, 2021.

Defendant Ross is alleged to have misused the APFA credit card on several matters during his term in office.

Plaintiff alleged in the Article VII grievance and heard are described as follows:

Defendant is charged with eight (8) specific violations of the Policy Manual and the APFA Constitution.

**(1) Misuse of Credit Card:**

As APFA National President, Plaintiff Ross was provided an APFA credit card.

- a. Defendant Ross spent thousands on purchasing sheets, blankets, pillows, mattresses, furniture as well as smaller items such as toilet paper and candy.
- b. Defendant Ross purchased over \$3600 in furniture on his APFA credit card and had it delivered to his personal residence in South Lake, Texas.
- c. Defendant Ross charged an APFA rental truck in August 2016.

**(2) Rental Car:**

Defendant Ross is charged with billing APFA for a rental car for six months at a cost of over \$6200.00 Ross was considered living in the DFW area and was not entitled to a rental car.

**(3) Reimbursement:**

Defendant Ross claimed mileage that he was not entitled to, including the period when he had a rental car.

**(4) SAF/MEA and meal expenses--Change of formula to include Meal Expense Allowance (MEA) and Special Assignment Fee (SAF):**

Defendant Ross and his fellow officers changed the longstanding formula for Vacation reimbursement. Defendant Ross also violated the detailed language of the APFA expense policy by charging thousands of dollars of unauthorized meals to his APFA credit card.

**(5) Payout of Vacation--Change of Formula to include MEA and SAF and an office stipend in with wages when considering the reimbursement of sick and vacation time. This was discovered when the pay for the Vice President, Secretary and Treasurer was looked at more closely by the next administration long after the Ross Administration had left office.**

**(6) Maintaining an Office:**

Defendant Ross claimed thousands for maintaining an office he was not entitled to.

**(7) Payout of Vacation Days:**

Defendant Ross received compensation for expense payments beyond his term in office.

**(8) Buyout:** Defendant Ross collected compensation in two forms. (1) MEA and SAF (2) Maintaining an office outside Residence.

Defendant argued at the hearing that these Article VII charges were filed by the Charging Party (Plaintiff) as a weapon against Ross and the Officers of the Ross Administration.

This matter was submitted to this Alternate Article VII Arbitrator to make a decision on the charges cited herein.

## **THE RELEVANT PORTIONS OF THE APFA CONSTITUTION AND POLICY MANUAL**

### **THE APFA CONSTITUTION**

#### **Article I. Section 7. DEFINITIONS:**

As used in this Constitution, the following words or terms shall mean:

- E. **"Duty"** means an obligation of performance, care or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.
- M. **"Privilege"** means a benefit or advantage enjoyed by a person in any position or fiduciary capacity with or as a member of the APFA.
- O. **"Responsibility"** means an obligation to answer for a duty to act or a failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.
- Q **"Rights"** means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.

#### **Article II. Section 2. OBLIGATIONS OF MEMBERS:**

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from, or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties, and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties, and responsibilities.

#### **Section 3. BILL OF RIGHTS OF MEMBERS**

- B. All members of the APFA shall have access to all administrative and financial reports and records except as provided in Section 5.B(1) of this Article II.

### **Article III, GOVERNMENT OF THE APFA**

#### **Section 3 Board of Directors**

- A. The Board of Directors is authorized and empowered to take any and all lawful action consistent with this Constitution to safeguard and protect the APFA, and the rights and privileges, duties and responsibilities of the officers, representatives and members of the APFA. The Board of Directors is authorized to interpret this constitution and to establish, prescribe and adopt such other policies which may be consistent with this constitution as required for the direction and management of the affairs of the APFA.



**L. Jurisdiction and Duties:** The Board of Directors shall have the following rights, privileges, duties and responsibilities;

1. Set policy for the APFA;
2. Modify the APFA Policy Manual as it deems appropriate;
3. Approve the annual budget;
4. Set annual goals for the APFA as it deems appropriate;
5. Assign to each Ad Hoc Member of the Executive Committee those Presidents with whom s/he shall maintain regular contact and communication;
6. Determine the number of administrative, committee, and support positions as may be required under Article IX of this Constitution to meet the needs of the membership;
7. Nominate and appoint members of the National Balloting Committee and Budget Committee when appointments are appropriate;
8. Review the base assignment of any OAL Operation or satellite and, when necessary alter operation or satellite assignments.  
While not limited to the following, the Board of Directors may:
9. Review the dues structure of the Association;
10. Override the Executive Committee rejection of a proposed Collective Bargaining Agreement;
11. Establish the Regions and the National Vice President will assign the Regional Representatives;
12. Establish, combine, delete or change the duties, responsibilities and specific job descriptions of administrative, committee and support personnel in accordance with the provisions of Article IX of this Constitution for budgetary or policy reasons, taking into consideration the recommendations of the National Officers;
13. Direct special mailings to the membership;
14. Recognize the accomplishments and achievements of members of the APFA;
15. Give annual awards;
16. Confer Honorary membership;
17. Approve hardship dues forgiveness and review other hardship requests that may be brought before the Board;
18. Appoint special committees;
19. Appoint or change the Article VII Arbitrator or Alternate Article VII Arbitrator(s);
20. Approve Article VII administrative changes;
21. Suspend officers or representatives pursuant to Article VII;
22. Take any and all appropriate action deemed necessary by the Board and in accordance with this Constitution to promote the welfare of the members of the APFA, and this shall include the right to reverse an action or decision of the Executive Committee, National Officers or other representatives, except as provided in this Article III, Section 4.J.11 or Article VIII, Section 6. of this Constitution.

**Article VII. Section 1. Grounds For Charges:**

Any member is subject to fine, suspension or expulsion, or suspension from or removal from office, for any of the following acts:

- A. Failure to pay dues, assessments or penalties levied by the Association.
- B. Advocating, or working toward, the displacement of the APFA as bargaining representative (providing that advocating, or working toward an affiliation, merger or federation of the APFA pursuant to Article XII of this Constitution shall not be grounds for discipline);
- C. Willfully acting as a strike breaker during any work stoppage duly authorized by the Association; (1) Notwithstanding Section 1.C., above (which provides as a grounds for charges willfully acting as a strike breaker during any work stoppage duly authorized by the Association) APFA shall not process any charge of willfully acting as a strike breaker during the November 1993 strike against American Airlines.
- D. Willful violation of a Flight Attendant's Collective Bargaining Agreement
- E. Theft or embezzlement of Association monies or property
- F. Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee
- G. Willfully acting in a manner that causes the Association to violate its legal obligations; or
- H. Willfully bringing charges without reasonable basis against another member, officer, or representative of the Association, should such charges be dismissed for any reason by the Article VII Arbitrator designated herein, or should such charges not be sustained by the Article VII Arbitrator.

## ***APFA POLICY MANUAL***

### **Section 5.G.1. Trip Removal and Expense Policy – Other Expenses**

- 1. Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him / her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.

### **Section 5.F.5.a. Trip Removal and Expense Policy–Meal Expense/Allowance**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.

(1) Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to limitation or revocation of this privilege.

(2) The reimbursement of a Business-Related Expense shall not count against a representative's MEA.

### **Section 5.H. Relocation**

1. Upon assuming office/appointment, National Officer(s)/Chairs shall be expected and, for the purpose of this policy, shall be considered to reside in the DFW area. The DFW area, for purposes of this policy, shall not exceed a seventy-five (75) mile radius from APFA Headquarters.
2. If, on the date of his/her election, a National Officer does not reside in the DFW area, s/he shall be reimbursed for actual moving expenses for relocation from/to his/her place of permanent primary residence by a certified mover as a condition of employment with the APFA, to a maximum of ten thousand (\$10,000) per round trip move.
  - a. The provisions of H.2 above must be exercised within six (6) months following the end of the last term of office of the National Officer and must be substantiated by invoice or bill.
3. A National Officer may choose not to relocate to the DFW area but may, instead, choose to accept suitable furnished accommodations paid for by the APFA as provided in H.7. below. If a National Officer accepts such accommodations in lieu of relocation expenses as provided in H.2. above, the following will apply:

....

7. Incoming National Officers incoming and other Representatives shall normally be able to use outgoing National Officers or Representatives furniture and furnishings rather than replace these items with each change of National Officer or Representative, subject to the right to reasonably refuse furniture and furnishings.

### **PLAINTIFF'S ARGUMENT**

Plaintiff argued the violations center on Defendant Ross assuming office as the APFA National President and moving to Dallas, TX during the months of April 2016 through October 2016. Defendant Ross misused the APFA credit card on several matters during his term in office. The APFA Policy Manual provides that National Officers will be provided up to \$10,000 in moving expenses or, provided they can demonstrate a permanent residence outside of DFW, the officer can get a corporate apartment furnished by APFA. Defendant Ross leased an apartment at the Bear Creek complex on June 1, 2016, thus he chose both options for relocation when he is only to choose one option. Defendant Ross purchased \$3600 of furniture from Ashley Furniture to be delivered to his home in South Lake, Texas. Defendant Ross had a rental car for six months at a cost of \$6,200.00. He was living in the DFW area and was not entitled to a rental car. Defendant Ross claimed mileage when he was not entitled to claim mileage. Defendant Ross and his fellow officers changed the longstanding formula for Vacation reimbursement. Defendant Ross violated the detailed language of the APFA expense policy by charging thousands of dollars of unauthorized meals to his APFA credit card. The change of formula to include MEA and SAF with an office stipend in wages when considering the reimbursement of sick and vacation time. This was discovered when the pay for the Vice President, Secretary and Treasurer was looked at more closely by the next administration long after the Ross Administration had left office. Defendant Ross claimed for maintaining an office he was not entitled to. Defendant Ross received compensation for expense payments beyond his term in office. Defendant Ross collected compensation in two forms. (1) MEA and SAF (2) and maintaining an office outside Residence when he was not working.

#### **DEFENDANT'S ARGUMENT**

Defendant Ross argued the alleged violations were the direct result of the "Ross Transition Agreement." Defendant argued that charged violation No. 5: Payout of Vacation, Charged Violation, No. 6: Maintaining an Office, Charged Violation No. 7: Payout of Vacation Days and Charged Violation No. 8: Buyout are a part of the Transition Agreement (TA).

Defendant Ross argued the "Ross Transition Agreement" was deemed to be a legally authorized by Arbitrator Valverde in the Arbitration case, Moyer vs BOD (2018) dated September 21, 2021. Arbitrator Valverde ruled the dispute that Ross received a benefit was "without merit." The charges in that case were dismissed. Defendant argued that it stands to reason the accusers (Plaintiff) would have no claim that Defendant Ross received a benefit from the "Ross Transition Agreement" that he was not entitled to and any alleged violation stemming from his acceptance of the agreement, should be dismissed.

Defendant Ross argued the arbitrator, designated in these Article VII proceedings, has the jurisdiction and authority to rule on the validity of charges and the remedy sought by the Plaintiff to the allegation. Did former National President Ross knowingly or "willfully" violate an express Article of the APFA Constitution or Policy Manual, and did Ross "willfully" violate any express Article of the Constitution and/or Policy Manual when he accepted the terms of the "Ross Transition Agreement"? The arbitrator also has the jurisdiction and authority to dismiss the Article VII Charges against the Defendant.

Defendant Ross argued with respect to the *misuse of the APFA credit card* that multiple alleged purchases violated Policy Manual 5.G – Business Related Expenses. Defendant argued Business Related Expenses are actually defined in Policy Manual Section 5.F.5. Section 5.G, “Other Expenses” where it states,

*5.G Other Expenses – Actual out-of-pocket expenses incurred by a member conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for personal profit of the APFA member, but to compensate him/her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.*

Defendant Ross argued the Plaintiff cited the wrong policy in their support of these charges, evidence of their lack of understanding the process and policy. No purchases were made on the APFA union credit card were submitted for reimbursement on the weekly/monthly expenses. Receipts were submitted for each credit card charge and reviewed per policy by the appropriate accounting and legal departments. Plaintiff admitted they did not review any other administrations union credit card charges for similar purchases or past practice or for expenses when said officers relocated to DFW.

Defendant Ross argued with respect to the *misuse of a Rental Car* was billed to the National President’s department during the timeframe according to the Plaintiff allegation, is coincidental to the timeframe of the Ross relocation, but was not as a condition of the relocation. 2016 APFA Policy Manual Section 5.H – Relocation – was silent on the use of rental cars in connection with or during the timeframe of a relocation. This issue was previously reviewed by the APFA BOD at the time the email was sent to the National Treasurer in March 2019. The APFA BOD and Budget Committee members tasked with this review took no action on this matter and the issue was closed. Defendant argued that several rental cars were rented through the President’s office for numerous representatives during this time frame and not specifically to Bob Ross for personal use. Department representatives having access to rental cars during this timeframe included, but is not limited to, uniform committee members, toxic fume events and other committee representatives. At no time did the Plaintiff cite evidence that a rental car was provided for Ross’ sole personal use.

Defendant Ross argued with respect to *mileage* the following that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.G. – Other Expenses / Mileage.

5.G.1.b. (1).(a) Mileage:

[2]. Mileage shall not be reimbursed for travel between the representatives’ residence and an APFA office that has been provided for the primary use of the representative for a period in excess of 31 days.

Defendant Ross states that the Plaintiff have formed their own theory and alleged that former APFA National President, Bob Ross is in violation for claiming mileage for attending meetings with the Company or claiming mileage for any event outside of APFA headquarters while conducting APFA business while using a rental car. At no time did Ross file for reimbursement for mileage from his residence to the APFA headquarters. The Plaintiff did not

present evidence that Ross claimed a mileage reimbursement while using a rental car and not his own vehicle. Defendant Ross submits Section 5.G.b.1.a.1., is silent on a specific vehicle to be used in the reimbursement of mileage. At any given time, an APFA Representative could be subject to using their personal vehicle or a “Rental Car” for conducting APFA business.

Defendant Ross argued with respect to *SAF/MEA and meal expenses* that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.F: Business Related Expenses. He states that the APFA had no policy on how to differentiate or separate any amounts from the guaranteed MEA/SAF totals when National Officers, Regional Representatives, National Chairs, or other Representatives, who are authorized a full month trip removal pay and are receiving guaranteed stipends of MEA/SAF and are considered a host of an authorized APFA meeting. APFA also had no policy in place until 2021, for a National Officer in relation to one’s union credit card practice.

Special Assignment Fee (SAF) Policy:

The intent of the SAF is explained in Section 5.E.1

5.E.1.a. – The intent of the Special Assignment Fee (SAF) is to offer payment to the representatives for the days that they conduct APFA business in excess of their normal scheduled bid line. Amounts paid under this arrangement are reportable as wages on the representative’s W-2 and are subject to withholding and payment of employment taxes.

5.E.4.a.(1) – If a Representative performs work for the APFA, and is not otherwise paid for that day’s work by means of an APFA Paid Trip Removal.....such representative shall receive the Daily SAF for work performed in accordance with the following schedule.

Calculation for the National Officers’ SAF is specifically delineated in Section 5.E.4.c – SAF Rates – Monthly –

(c)National Officers and Regional Representatives: \$400 minimum, but not to exceed \$500 maximum.

Meal Expense/Meal Expense Allowance (MEA)

Defendant Ross argued with respect to the *payout of vacation* that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of 5.E.4 Special Assignment Fee (SAF) above and 5.F.1 Meal Expense Allowance (MEA) rates.

Guaranteed MEA at Residence is explained in Section 5.F.3.a

5.F.3.a – On days a representative is both trip removed and performing work for the APFA at his/her residence city, such representative will receive a “Guaranteed MEA at Residence” in lieu of any actual MEA at residence as provided in F.2.



5.F.3.d – National Officers, Regional Representatives, National Chairs and other representatives who are authorized full month trip removal or the equivalent shall receive a “Guaranteed MEA at Residence” of Three Hundred dollars (\$300) per month.

Section 5.F.4.a – Calculation of MEA

National Officers, Regional Representatives, National Chairs and other representatives who are authorized full month trip removal or the equivalent (e.g. “Payback as provided in D above) shall receive a minimum MEA of Three Hundred dollars (\$300) per month

Maintaining an Office Outside of Residence (MOOR)

Maintaining an Office outside of residence is required of APFA President, as the office is located and maintained at APFA Headquarters and is paid in addition to SAF.

5.E.4.c.(3).(a) – A National Officer, Regional Representative, National Chair, Base President and/or Base Vice-President who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.

5.F.1.a.(1) – Per Diem Rate (Accountable Plan)

(1) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA. Also required for the purposes of calculating how much Special Assignment Fee (SAF) an officer receives, it is imperative that the officer fill out the required weekly paperwork that would ascertain how many hours were worked for the APFA.

Defendant Ross argued that all payouts and formula used to calculate the payout for vacation, sick and end of term buyout of accrued and unused Sick and Vacation days occurred after former APFA President Ross had left office and was the product of a Transition Agreement and not specific to APFA Policy. Through sworn testimony, former APFA National Treasurer, Eugenio Vargas, used full salary vs basic salary in these calculations, which include MEA and SAF in compliance with the terms of the controlling document, the Ross TA.

Defendant Ross argued that a National Officer or Regional Representative on a full month trip removal shall receive per policy a \$500 maximum of SAF payment. National Officers, Regional Representatives, National Chairs and other APFA Representatives on a full month trip removal shall receive a minimum Guaranteed MEA of \$300 per month. Each National Officer, per policy, each month received the guaranteed amount of \$1050 (\$500 SAF, \$300 MEA and \$250 MOOR) in addition to basic salary. This amount was determined by the APFA Accounting Department. and was the combined stipend included as Salary and Benefits per the Ross TA used by the former APFA Treasurer, after Ross left office, to calculate the daily rate of unused Sick and Vacation Days that Ross was not allowed to use during his final 5 months as National President to “make him whole.” These amounts were paid after Ross left office and as a condition of the Ross TA. It is irrational for the Plaintiff to request that weekly timesheets were required to receive these payments for the months after Ross left office.

Defendant Ross argued that on January 14, 2022, an APFA document surfaced that was withheld from document retrieval that corroborates the Policy Manual was not the controlling document to the Ross TA and therefore Ross was paid in compliance with the TA. This document would have been exculpatory to the defense of Mr. Ross on this and other matters pertaining to the Ross TA had it been provided.

Defendant Ross with respect to “*maintain an office outside of residence*” that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.E.3 Maintaining an Office Outside of Residence. The maintaining an office outside of residence is required of APFA President, as the office is located and maintained at APFA Headquarters and is paid in addition to SAF.

5.E.4.c.(3).(a) – A National Officer, Regional Representative, National Chair, Base President and/or Base Vice-President who is required to maintain an APFA office outside of his/her place of residence shall be paid an additional two hundred fifty dollars (\$250) per month over and above the minimum monthly SAF provided above, or the actual SAF subject to reimbursement, whichever is greater.

Defendant Ross argued that each National Officer, per policy, each month received the guaranteed amount of \$1050. This amount included \$500 for SAF, \$300 for MEA and \$250 for office outside of residence. This amount was determined by the APFA Accounting Department and provided to all National Officers as part of their salary. This charge also should be dismissed as Ross did not pay himself the payments under the terms of the Ross TA.

Defendant Ross argued with respect to the *payout of vacation days* that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 6.B.1: National Officer Salary and Benefits. Defendant Ross states that any change to the formula used to calculate the payout for vacation, sick and end of term buyout occurred after former APFA President Ross had left office. Through sworn testimony, former APFA National Treasurer, Eugenio Vargas, used full salary vs basic salary in these calculations, in compliance with the Ross TA.

Defendant Ross argued the Ross Transition Agreement stated Ross would be paid any and all accrued and unused sick and vacation from April 1, 2016 – July 31, 2018. The calculation of the unused days was to be paid as though Ross was able to use any of those days while in office as President for his remaining 5 months had he not resigned. There was no agreement that these days were to be paid per Policy as the Plaintiff insists. An investigation into the payout of the Sick and Vacation days paid, brought about by Plaintiff’s allegations that it was discovered Ross was not properly paid “All” of his accrued and unused Sick days from April 1, 2016 – July 31, 2018. Ross earned and did not use 18 Sick days in each of the fiscal years April 2016-March 2017 and April 2017-March 2018. Ross was only paid Per Policy 6.B.3.d Offset/Loss of Sick Time, of 12 days for each fiscal year. The additional 12 days, (6) days Apr. 2016-2017 and (6) days Apr. 2017-2018 have still not been acknowledged or paid to Ross in accordance with the Ross TA. The value of these lost Sick days, depending on the calculation used, is in excess of \$3400 still owed to Ross.

Defendant Ross argued that he received a *buyout but it is cited as the Ross Transition Agreement*. The charging party submits that Ross collected more money than if he had remained in office for the four (4) months left in his term. However, once Ross left office, he asked for and collected from the APFA compensation in two forms he was not entitled to per the “agreement.” One form of compensation which he received every month was MEA and SAF and Maintaining an Office Outside Residence. Mr. Ross continued to collect one thousand and fifty dollars (\$1050) a month.”

“He collected these payments for the months of: March, April, May, June and July of 2018. This stipend is clearly hinged on reimbursement related to work and not part of the National Officer salary. To accept this money is in clear violation of the intent of the Policies written that allows a representative extra compensation for working hours above and beyond their scheduled workload. By taking this money this is another violation of the Section 5 policies outlined above.”

Defendant Ross argued in Item no. 3 of the Ross Transition Agreement states “APFA agrees that Ross will continue to receive from APFA his current full salary and benefits, including full insurance coverage, through July 31, 2018. Full Salary for a National Officer, per the APFA Policy Manual, Section 5 entitles the officer to receive guaranteed MEA, SAF, and Office Outside of Residence payment. This guaranteed payment is \$1050, which is considered gross wages and recorded in “Box 1” of the National Officers W-2 tax form.

Defendant Ross argued that former APFA National Treasurer Vargas has stated in sworn testimony he used full salary vs basic salary for all calculations in compliance with the Ross Transition Agreement. This full salary calculation would include the benefits of MEA, SAF and any accrued and unused sick and vacation that he would have coming to him as President for those 5 months (4/1/16-7/31/18), as if he remained in office.

### **DISCUSSION AND OPINION**

Defendant Ross assumed office on April 1, 2016 as National President of the APFA. In that position he is entrusted with a Fiduciary duty to the APFA for cost and expenditures. This report revealed that Defendant Ross abused his fiduciary duty to the members of the APFA. The arbitrator has consolidated certain violations in this report.

- 1. Misuse of the APFA Credit Card and**
- 2. SAF/MEA and Meal Expense Policy**

Plaintiff argued in these allegations that Defendant Ross moved into the South Lake home during the week of August 11, 2016. Defendant Ross used the APFA credit card for his personal use and was not for any Union related business activities and abused his fiduciary duty to the APFA. He charged the renting of a moving truck on August 20, 2016 to move furniture after being reimbursed for moving his belongings from Sacramento. He has purchased tools, sheets, blankets, pillows, mattresses, furniture and even smaller items such as toilet paper and candy. None of the larger items were ever inventoried or returned to the APFA upon cessation of his term of office. Defendant Ross elected to relocate to the DFW area and was afforded a moving expense reimbursement, he was not entitled to buy any furnishings using APFA funds. Plaintiff argued Defendant Ross violated Section 5.G. **Other Expenses** of the Policy Manual. Kim Ross, wife of

the Defendant packed up the California house in August 2016. Defendant Ross's wife and kids stayed in 5 different hotels as they drove across the country, including vacation stops at the Grand Canyon and Flagstaff. They used the union credit card for these hotels, except for one hotel stay on August 2<sup>nd</sup> that Ross expensed in his weekly report to the APFA. It also appears in the documentation that APFA paid for all of Ross's family meal expenses. (CLX-17, CLX-37, and CLX-42) All of these expenses were billed to APFA as part of the cost of moving the Ross family from California to Texas. Defendant Ross was not present for any of these hotel stays.

The arbitrator finds that if his family was driving directly from California to Dallas, Texas, the APFA would not have incurred additional costs for hotels, meals and mileage. It appears APFA paid for Ross's family vacation in the Grand Canyon with Defendant Ross' APFA credit card. The cost of this vacation to include meals and hotels should be borne by Defendant Ross. This is an abuse of Ross's fiduciary duty to the APFA membership. This is a per se violation of the Policy Manual.

On August 9, 2016 Defendant Ross bought tools at Home Depot on the APFA credit card. On this same date, the APFA handyman delivers APFA furniture to the South Lake home. (CLX-4). On August 12, 2016 the moving pods that Ross had rented arrived to the South Lake house. On this same date, Defendant Ross charges \$64.30 for gas at Shell Oil in South Lake on the union credit card and bills it to the move but he also claimed mileage and was paid. On August 13, 2016 Defendant Ross *purchased \$3,637 in furniture on the APFA credit card from Ashley Furniture (CLX-40)* and had it delivered to his personal residence at the South Lake home. The furniture was delivered to Kim Ross at the South Lake home in two installments – on August 18, 2016 and August 25, 2016. Defendant Ross claimed the family did not move until September 2016 but the record evidence clearly revealed they actually moved in August, 2016. A couple of bed frames and small items were returned costing \$331.28 to Ashley Furniture on August 24, 2016 (CLX-40). John Nikides testified that Defendant Ross was ordered by APFA to repay \$3600.00 to APFA for this furniture and he did so through payroll deduction. Here, Defendant Ross abused his fiduciary duty to the members of the APFA.

Plaintiff argues Defendant Ross used the APFA credit card for his own personal use. Several meals were charged on the credit card and the participants were National Officers, the Officers and their Regional Representatives as well as himself eating alone. This violates Section 5.F. **Meal Expenses/Meal Expense Allowance (MEA)**, **5. Business Related Expenses**, a.1.2. Plaintiff argues this violates the following:

**Section 5 Business Related Expenses:**

- a. *Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions with a representative would reasonably be considered the host of an authorized APFA function or meeting.*
1. *Discretion and good judgment should be used when exercising this privilege and when incurring such a legitimate and necessary business-related expense. Abuse, as determined by the executive committee, may lead to the limitation of revocation of this privilege.*

2. *In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the “guest” for the purposes of this provision.*

**Section 5.G of the Policy Manual provides the following:**

*Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him /her for actual expenses and losses, and is exclusive of other applicable reimbursement provisions in this policy.*

Additionally, the items Defendant Ross purchased were for his personal benefit such as dry cleaning, trips to the gas station, 7-eleven, and a monthly GOGO internet subscription.

Plaintiff argued Defendant Ross violated the Meal Expense provisions of the APFA Policy Manual during his term in office. Ross claimed per diem and actual meals. He used the APFA credit card for meals at fast food restaurants by himself. As a National Officer Defendant Ross received a guarantee MEA (\$300.00 per month). The APFA Policy Manual does not permit National Officers to charge actual meals in their city of residence. National Officers are provided Guaranteed MEA instead of actual meal expense. There are no provisions for National Officers to receive actual meals. Actual meals are covered in F.2 of the Policy Manual and do not include the National Officers or other full-time representatives nor is there a working lunch exception. The only time an APFA National Officer can purchase actual meals is the hosting exception.

Defendant Ross argued with respect to *SAF/MEA and meal expenses* that he did not fail in his responsibility to act in accordance with the APFA Policy Manual by citing a violation of Section 5.F: Business Related Expenses. He states that the APFA had no policy on how to differentiate or separate any amounts from the guaranteed MEA/SAF totals when National Officers, Regional Representatives, National Chairs, or other Representatives, who are authorized a full month trip removal pay and are receiving guaranteed stipends of MEA/SAF and are considered a host of an authorized APFA meeting. APFA also had no policy in place until 2021, for a National Officer in relation to one’s union credit card practice.

Defendant Ross additionally argued the parties cited the wrong policy in support of these charges, evidence of their lack of understanding of the process and policy. No purchases were made on the APFA union credit card were submitted for reimbursement on the weekly/monthly expenses. Receipts were submitted for each credit card charge and reviewed per policy by the appropriate accounting and legal departments.

The arbitrator finds the Plaintiff provided sufficient evidence to establish merit and a violation of the Policy Manual to reveal Defendant Ross abused his fiduciary duty to the membership of the APFA. Under these circumstances, the APFA will hire an Independent Auditor to perform the task of auditing Defendant Ross purchase of meals and other items on the APFA credit card from April 1, 2016 through July 31, 2018. Record evidence revealed that he had purchased meals and used the APFA credit card for a personal vacation for his family at the Grand



Canyon and other items that are not business related. The Independent Auditor will have to determine if such meal(s) or other purchases were for conducting union business or not. Defendant Ross as the National President was required to submit documentation to support all credit card expenses for meals as well as other expenses. If no documentation was provided to support the expenses were for union related business, then Defendant Ross will be required to repay APFA for all of those expenses not substantiated. Moreover, the audit must comply with federal income tax guidelines which distinguish between personal and nonpersonal expenses. Additionally, Defendant Ross is hereby Ordered to repay all of the Independent Auditor's fee to the APFA.

### 3. Rental Car

Plaintiff argued Defendant Ross violated the APFA Policy Manual by having a rental car in DFW for six months. The Policy Manual in Section 5.G.1 does not allow a National Officer to have a rental car in base. Defendant Ross upon assuming office is considered for all expenses to be living in Dallas. The only way a rental car would be approved is if the APFA Representative was renting it away from their city of residence per 5.G.1.b. If it is used for personal reasons, it is considered income. Moreover Section 8.D governs the use of APFA provided vans and cars, "Automobiles owned or leased by the APFA are to be used primarily to conduct APFA business during normal business hours. After hours, they may be reserved on a first-come, first served basis for the use of representatives who reside outside of the DFW metropolitan area," Section 8.D.1. in Section 8.D.2 a Regional Representative whose residence is outside of DFW may get a rental car when leased cars are not available. Cathy Lukensmeyer testified that National Officers should not be getting a rental car in Dallas for their personal use. Defendant Ross received a rental car from March 2016 until October 16, 2016. He booked a rental on March 28, 2016 for 24 days. On May 5, 2016, Defendant Ross upgraded the car to a luxury car. The car rentals were updated several times into October 2016. At hearing, Defendant Ross denied having a rental car but when confronted with rental car receipts, he then claimed it was for his department and not for him. Several emails (June 16, 2016 extended the rental to July 29, 2016, July 18, 2018, September 30, 2016 extended to October 3, 2016) from APFA secretaries disclosed it was for Bob's rental car (CLX-45). Additionally, Ross did not have a personal car in DFW to commute to APFA headquarters. Here, the arbitrator finds Defendant Ross abused his Fiduciary duty to the membership of the APFA by renting cars for his personal use to commute to work.

Defendant Ross did not move his wife's car to Dallas until August, 2016 so Ross was using APFA rental cars exclusively during that period. He charged APFA for the mileage, hotels, gas and meals. Ross admitted he did not have a vehicle to get to work so he used the rental car. Plaintiff argued that if an Employer provides an automobile to an employee, including for commuting to and from work, that is considered a fringe benefit and is considered taxable income by the IRS. (26 CFR § 1.61-21(a)(1) - Taxation of fringe benefits.) Under the LMRDA the governing body is the APFA Board of Directors and they have an obligation to recover the money. (29 U.S.C. 501) So Defendant Ross saying the Board looked into the matter in 2019 does not resolve the matter. If it is determined Defendant Ross received over \$6200 in unlawful compensation in the form of a rental car he was not entitled to under federal labor law, the money must be paid back to the APFA.

Defendant Ross argued with respect to the *misuse of a Rental Car* was billed to the National President's department during the timeframe according to the Charging party's allegation, is



coincidental to the timeframe of the Ross relocation, but was not as a condition of the relocation. 2016 APFA Policy Manual Section 5.H – Relocation – was silent on the use of rental cars in connection with or during the timeframe of a relocation.

The arbitrator finds the Plaintiff has supported their charge to establish merit and a violation of the Policy Manual over the use of rental cars, thus, Defendant Ross abused his Fiduciary duty to the membership of the APFA. the Independent Auditor will audit Defendant Ross' use of a rental car from April 2016 through October 2016 and determine the cost of the rental from April 2016 through October 16, 2016. If Defendant Ross did not support the use of a rental car with documentation for Union related business matters, Defendant Ross will be required to repay APFA for the use of the rental cars. Whatever the amount of dollars the Independent Auditor has determined Defendant Ross owes for using a rental car for his personal use in lieu of a union business, he shall be Ordered to repay that amount to the APFA.

#### 4.Mileage

Plaintiff argued Defendant Ross claimed mileage that he was not entitled to, including the period he had a rental car. The AFPA Policy Manual has detailed language to a National Officer assuming office.

##### Relevant Provisions

Upon assuming office/appointment, National Officer(s) / Chair(s) shall be expected and, for the purposes of this policy, shall be considered to reside in the DFW area per 5.H.1.

##### *5.G.1.b. Ground Transportation*

“[1] A representative shall be reimbursed for mileage at the IRS standard mileage rate for travel to conduct APFA business, not to exceed a monthly maximum of one thousand (1000) miles. All mileage must be recorded on an “APFA Mileage Log” and submitted per Section 5.I.5. of this Policy Manual,” per Section 5G.1.b.1.

“ S/he is not authorized to claim any other expenses as provided in this policy for the purpose of personal travel between DFW and his/her permanent residence,” per Section H.5.c.

The mileage logs are included in CLX-13-19 and specify that Ross drove the following mileage:

March 2016	336 miles
April 2016	294 miles
May 2016	294 miles
June 2016	336 miles
July 2016	294 miles

Plaintiff argued Defendant Ross violated the APFA Policy Manual by claiming mileage to and from his permanent residence in Sacramento and the Sacramento airport. He claimed mileage between his Sacramento permanent residence and the Sacramento Airport at 42 miles each way. The APFA Policy Manual states that a National Officer may not claim expenses for his commute home. All commuting back to your home city is on your own money. But Defendant Ross charged mileage, parking and meals at the airport. Defendant Ross also charged APFA \$105 a month for parking his vehicle at the Sacramento Airport. This is not an authorized expense as no additional expenses for commuting home were authorized. All of this occurred at the same time Defendant Ross had a rental car.

Defendant Ross states Plaintiff's have formed their own theory and alleged that former APFA National President, Bob Ross is in violation for claiming mileage for attending meetings with the Company or claiming mileage for any event outside of APFA headquarters while conducting APFA business while using a rental car. At no time did Ross file for reimbursement for mileage from his residence to the APFA headquarters. The Charging Party did not present evidence that Ross claimed a mileage reimbursement while using a rental car and not his own vehicle. Defendant Ross submits Section 5.G.b.1.a.1., is silent on a specific vehicle to be used in the reimbursement of mileage. At any given time, an APFA Representative could be subject to using their personal vehicle or a "Rental Car" for conducting APFA business.

The arbitrator finds the plaintiff has supported their charge to establish merit and a violation of the Policy Manual. Thus, Defendant Ross abused his Fiduciary duty to the membership of the APFA by claiming mileage to and from his residence and parking his personal vehicle in the Sacramento Airport. The arbitrator requests the Independent Auditor to look at the mileage logs or statements from April 1, 2016 through October, 2016 and determine the amount of money Defendant Ross was paid for claiming mileage from the Sacramento airport and return. Defendant Ross' claimed 42 miles from the Sacramento airport to his residence and 42 miles to return to the airport on weekends. Additionally, Defendant Ross charged \$105.00 a month for parking his car at the Sacramento airport and claimed this cost to APFA for payment. The Independent Auditor shall investigate the claims for parking his car and determine how much he claimed and received payment from the APFA Whatever dollar amount the Independent Auditor has determined for mileage and parking, Defendant Ross is hereby Ordered to repay the APFA.

## **5. Maintaining an Office**

Plaintiff withdrew this charge in their post-hearing brief.

- 6. Charges related to Ross Leaving Office as National President (Buyout)**
- 7. Sick and Vacation Payouts**
- 8. Receiving MEA and SAF when Performing no work.**

Defendant Ross left office on March 1, 2018 in the face of a DOL ordered rerun election. He was elected to a four-year term but he voluntarily resigned and negotiated a Transition Agreement to leave. The economic terms of the Transition Agreement are as follows:

- 3. APFA agrees that ROSS will continue to receive from APFA his current full salary and benefits, including full insurance coverage, through July 31, 2018.**

4. APFA agrees to pay ROSS all of his accrued and unused sick and accrued and unused vacation time, from April 1, 2016 through July 31, 2018.
5. APFA agrees to pay ROSS, upon his request, a one-time lump sum in the total amount of ten thousand dollars (\$10,000), which represents ROSS's moving expenses. ROSS shall present the moving expenses to a APFA for payment through 2019.

Plaintiff argued that nowhere in the exit package language does it specify that Defendant Ross should get paid MEA and SAF expense payments for the months he is not working in March, April, May, June and July 2016. Yet, Defendant Ross received \$1050 a month in these payments for five months for a total of \$5250. MEA and SAF are considered expenses. Salary is included in Section 6-National Officer Salary and benefits. In Section 5-Trip Removal and Expense Policy is where SAF and MEA are located and discussed. The APFA Constitution defines salary in Section 6.A which provides, "The salary of the National President shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for a flight attendant based on 116 hours monthly."

## **Section 6: National Officer Pay and Benefits**

### **B.1: Vacation**

- a. National officers shall be entitled to thirty-five (35) days of paid vacation to be taken in each fiscal year while in office or the seniority respective vacation allowance s/he is contractually entitled to as a Flight Attendant, whichever is greater. This calculation will not be based on the Article 6.H of the Collective Bargaining Agreement referring to "trips missed." This vacation allowance may be taken at the discretion of the National Officer, however, not more than fourteen (14) consecutive days taken at any one time.
- b. National Officers should schedule their vacations so as to avoid the simultaneous absence of more than two (2) National Officers. In no case shall the National President and the National Vice President be on vacation simultaneously.
- c. At the end of a fiscal year, up to fourteen (14) days of any unused APFA vacation allowance, as provided in B.1.a above, will be paid to the National Officer at a rate prorated on the National Officers' annual salary for the period of APFA vacation allowance owed, less applicable state and federal taxes. If the National Officer is entitled to more than thirty-five days vacation, up to twenty-one (21) days will be paid as stated above.
- d. At the beginning of a term, the National Officer should be paid by the Company for any vacation allowance accrued as a flight attendant.
- e. At the end of the term, the APFA will ensure that the departing National Officer is provided with the vacation time to which s/he would ordinarily be entitled as if the National Officer had been an active Flight Attendant for the previous and current calendar years. If the company does not provide the out-going officer with the appropriate vacation allowance accrued for the previous and current calendar year the APFA will:

1. Provide payback of accrued vacation allowance to be taken in corresponding consecutive vacation days in a block(s) that is seniority respective at his/her domicile per Article 6.1 of the AA/APFA Collective Bargaining Agreement, within 13 months following the end of the applicable term; or
2. The APFA will provide the departing National Officer with the appropriate Flight Attendant vacation by means of cash reimbursement at a rate prorated on the National Officers annual salary for the period of APFA vacation allowance owed less applicable state and federal taxes.

Plaintiff argued that Defendant Ross was paid 14 days of vacation for fiscal year 2017 which ran from April 2016 and through March 2017. Ross used four vacation days and was entitled to be paid out 14 of the remaining 31 days. Ross was paid that amount in 2017. In fiscal year 2018 Ross was entitled to be paid out an additional 14 vacation days as he used 6 days and should have received the maximum 14 days. Ross was also entitled to his end of term vacation which provides that he can receive vacation he would have accrued during present and previous year. For bidding purposes as a Flight Attendant, he should have received 35 days of vacation. So, the total amount Ross should have received in 2018 was 49 days which would have been 35 days for the end of term and 14 days maximum payout for fiscal year 2018. This is on top of the 14 days Ross already received for fiscal year 2018.

Plaintiff additionally argued that Ross received 101.44 days paid out in the amount of \$38,574.68. Part of this payment includes the inflated pay which is the subject of a separate violation. Ross was overpaid 52.44 hours of vacation.

Defendant Ross argued the Ross TA is controlling. Defendant Ross would be paid any and all accrued and unused sick and vacation from April 1, 2016 – July 31, 2018. The calculation of the unused days was to be paid as though Ross was able to use any of those days while in office as President for his remaining 5 months had he not resigned. There was no agreement that these days were not to be paid per Policy as the Charging Party insists. An investigation into the payout of the Sick and Vacation days paid, brought about by the Charging Party's allegations, revealed Ross was not properly paid all of his accrued and unused Sick days from April 1, 2016 – July 31, 2018. Ross earned and did not use 18 Sick days in each of the fiscal years April 2016-March 2017 and April 2017-March 2018. Ross was only paid Per Policy 6.B.3.d Offset/Loss of Sick Time, of 12 days for each fiscal year. The additional 12 days, (6) days Apr. 2016-2017 and (6) days Apr. 2017-2018 have still not been acknowledged or paid to Ross in accordance with the Ross TA. The value of these lost Sick days, depending on the calculation used, is in excess of \$3400 is still owed to Ross.

The arbitrator finds that MEA and SAF is guaranteed to the National Officers to compensate them for not working as a Flight Attendant. The TA provides for "Full Salary" including benefits. While one can argue that MEA and SAF is a guaranteed benefit, the Policy Manual states it is not wages or benefits but rather are expenses as stated in Section 5 of the Policy Manual. The TA does not mention MEA and SAF as a benefit but the purpose of providing a guaranteed MEA and SAF to the National Officers so they would not suffer monetarily. MEA and

SAF is a guaranteed expense to be paid monthly to the National Officers. If Defendant Ross did not receive the MEA and SAF that he was guaranteed as a National Officer, it would then be reasonable to assume that he would suffer monetarily. The TA states he will continue to receive his current full salary and benefits. The language regarding benefits in Section 6 of the Policy Manual and expenses in Section 5 of the Policy Manual is clear and unambiguous. However, if the BOD enters into a TA with an employee to pay his full salary for an additional 5 months without working then the TA language would be in conflict with the language over expenses (guaranteed MEA and SAF for National Officers) in Section 5 of the Policy Manual. During these five months of the TA that Defendant Ross was paid his full salary, no evidence was introduced that Defendant Ross worked as a Flight Attendant while receiving guaranteed MEA and SAF. Under normal circumstances, expenses are listed in box 1 of a W-2 but they are not considered wages or salary. It is therefore, the Opinion of this arbitrator the intent of the TA reached between Attorney Mark Richards, Robert Ross and the 2018 BOD was for the purpose of maintaining the “status quo ante” for Defendant Ross. Thus, it would be reasonable to conclude Defendant Ross received MEA and SAF for the months of March through July 2018 as a guaranteed expense benefit. However, it should be noted that MEA and SAF are expenses and are not to be included in or considered with his full salary for use in the payout determination of accrued sick and vacation leave. For these reasons, the arbitrator is of the Opinion this charge over MEA and SAF should be dismissed.

With respect to sick and vacation payout, the APFA Board of Directors has determined that Defendant Ross was overpaid in the amount of \$5,436.47 in 2018. “The Board’s finding was based on the results of a review from an independent accounting firm which determined that the formula used to determine the daily rate for your sick and vacation payout was incorrect.” Record evidence revealed National Treasurer Vasquez admitted he had changed the formula without the approval of the BOD or the EC.

Moreover, it is the arbitrator’s understanding that Defendant Ross has refused to repay \$5,436.47 to APFA and is presently in litigation to recoup the money owed to APFA. The arbitrator finds this is very troublesome in view of the fact that he is a standing Board member and the other National Officers have acknowledged the computation of their debt and has either paid their debt in full or have arranged to pay off their debt. As National President, Defendant Ross was elected to a position of trust with the responsibility of protecting APFA assets. Ross has a Fiduciary duty to the membership of the APFA and this arbitrator finds that he has abused this trust.

It is therefore arbitrator’s Opinion, Defendant Ross has failed and abused his Fiduciary Duty. The non-payment of these monies reveals Defendant Ross is not accepting this responsibility. Thus, it is this arbitrator’s Opinion that Defendant Ross should be and is hereby Ordered to immediately repay the APFA \$5,436.47.

### **Leasing an Apartment at the Bear Creek Complex**

The APFA provides National Officers two choices for relocating to the Dallas metroplex. They can either accept a corporate apartment or they can accept the relocation moving expense entitling them up to \$10,000 in moving expenses. But they are required to select their choice before they move. Here, the record evidence revealed Defendant Ross accepted both choices. Plaintiff argued that Defendant Ross leased an apartment at the Bear Creek Complex on June 1, 2016.



Defendant Ross testified and denied leasing an apartment at the Bear Creek Complex but after Plaintiff showed him documentation, Defendant Ross then admitted that he had leased the apartment at the Bear Creek Complex for one year to be paid by APFA.

On Defendant Ross's weekly report, he claimed that he was house hunting on June 7 and 8, 2016. Defendant Ross explained that his children's school in California ended in June 2016. Kim Ross, packed household items into pods without furniture because their furniture was too large for the South Lake home and was delivered in August 2016. Defendant Ross decided to order furniture from Ashley furniture and ordered \$3,637.00 worth of furniture on August 13, 2016 with the APFA credit card. Defendant Ross denied that he had ordered the furniture for his residence, that it was ordered for the corporate apartment because it had no furniture. Documentation was presented to Defendant Ross revealing he had the furniture delivered to the South Lake residence on August 18 and 25, 2016. Thus, Defendant Ross chose both options for his own personal benefit and was not looking out for APFA's benefit. He also acquired APFA furniture to be moved to his residence per Mike Trapp's testimony when he was not entitled to do so. As a result of his actions, the corporate apartment he leased for his own personal benefit at the Bear Creek Complex cost APFA \$8,106.13 which is an unnecessary expense for the APFA.

Thus, it is the arbitrator's Opinion, that Defendant Ross abused his Fiduciary duty to the membership of the APFA and should be assessed the cost of leasing that apartment in the amount of \$8,106.13.

### **Conclusion:**

The arbitrator finds that throughout this proceeding, Defendant Ross *intentionally and willfully* ignored the provisions of the APFA Policy Manual and thus, has violated and abused his fiduciary duty entrusted to him by the APFA membership. Ross's testimony was inconsistent and not forthright. Because Ross abused his position of trust as well as his fiduciary duty to the membership of the APFA, he can no longer hold a position of trust with the APFA. Moreover, Article VII, Section 1 of the APFA Constitution provides that:

1. Any member is subject to fine, suspension or expulsion, or suspension from or removal from office, for any of the following acts:

.....

F. Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee;

Here, Defendant Ross has overwhelmingly violated the APFA Policy Manual and APFA Constitution. Ross has refused to repay APFA for an inappropriate overpayment in the amount of \$5,436.47. The Union has been forced to put the matter in collections after Ross refused and is now forced to commence a lawsuit against Ross. The policy manual has a procedure for APFA representatives to follow if they disagree with the determination on any expenses which is to appeal to the APFA Executive Board and Board of Directors per Section 5.B. Ignoring the Board of Directors is not an option, especially *for a sitting Board member*. John Nikides testified that Ross's refusal to repay APFA as a sitting Board member undermines the Union, and the memberships faith in its officers.



Plaintiff argued that Defendant Ross should be expelled from membership. It is the Opinion of this arbitrator that Defendant Ross should be prohibited from serving in any official position for life within the APFA organization that is set forth and included in the APFA Constitution and Policy Manual that is covered or identified. Additionally, if Ross currently holds any official position presently, he is to resign said position. This is to bar Ross from any official position for life other than that of member.

### REMEDY

1. The APFA will hire an Independent Forensic Auditor to audit Robert Ross' weekly reports, monthly reports and APFA credit card charges from April 1, 2016 through July, 2018 and perform the following tasks:

Specifically:

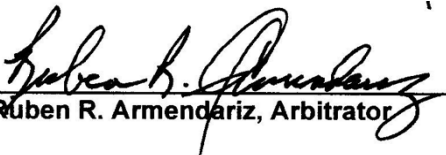
- a. The Auditor shall inspect the receipts for the Ross family vacation taken in the Grand Canyon in August 2016. Ross claimed all of hotel stays, meals and mileage charges as relocation moving expenses when some are for a personal vacation. Please determine what costs should not have been claimed as relocation moving expenses. Ross is liable for the excess cost and is hereby Ordered to repay APFA for all inappropriate charges!
  - b. The Auditor shall inspect Ross' APFA credit card usage for personal and group meals and purchases for personal items such as tools, toiletries, bath towels, and candy from April 1, 2016 through July 2018 and determine the cost of all inappropriate charges. If no documentation was provided to support each purchase was a union related business cost, then Ross is liable for all inappropriate charges and is hereby Ordered to repay the APFA for all inappropriate charges!
  - c. The Auditor shall inspect all of Ross' rental car usage from April 1, 2016 through October 16, 2016 and determine if these rentals were for union related business. APFA paid for the rental cars but there should be documentation to show if it was for union related business. If not, Ross is to be assessed the cost of the rental cars during the above period and is hereby Ordered to repay APFA for inappropriate rental car usage!
  - d. The Auditor shall inspect all of Ross' claimed mileage from the Sacramento Airport to his residence (42 miles) and return (42 miles) as well as all monthly parking of his personal car. He claimed \$105.00 per month from April 1, 2016 through July 2016 to park his car at the Sacramento airport. Ross is to be assessed the mileage and monthly parking he claimed and Ross is hereby Ordered to repay APFA for all of these inappropriate charges!
2. Ross is hereby Ordered to immediately repay the APFA \$5,436.47 per the finding of the APFA Board of Directors. An independent accounting firm determined the formula used to determine the daily rate assessed for sick and vacation payout was incorrect.
  3. Ross is hereby Ordered to repay the APFA \$8,106.13 for leasing an apartment at the Bear Creek Complex where he had no intention of occupying.
  4. Ross is hereby fined and Ordered to repay the APFA for all of the Arbitrator's Fee for this arbitration.

5. Ross is hereby ordered to repay the APFA the full cost of hiring the Independent Forensic Auditor.
6. Ross is hereby Ordered to repay \$3,637.00 to the APFA for all of the furniture he had purchased and delivered to his residence located in South Lake, Texas.
7. Ross is prohibited from serving in any official position within the APFA organization that is set forth and included in the APFA Constitution and Policy Manual that is covered or identified. If Ross currently holds any official position presently, he is to resign said position. This is to bar Ross from any official position for life other than that of member.
8. The APFA if it hasn't done so, must create a separate body of trained forensic accountants to oversee the annual audit and to create procedures and recommendations to preclude fraud for the BOD's review and action to be included within the Policy Manual. National Officers or Officers who have the authority to extend APFA to credit or use of an APFA credit card must be held economically responsible. The language created must be very clear and unambiguous. Training over the LMRDA must be a requirement for all National Officers or any person who can extend APFA to credit and whom is given an APFA credit card. These individuals must sign a document declaring and attesting that they have read and understand their responsibilities in using an APFA credit card or extending credit to the APFA for rental cars, apartments, etc., and that negligence will not be tolerated and will be dealt with severe penalties.
9. The arbitrator shall retain jurisdiction over any issue involving this remedy only. Moreover, if the Independent Auditor determines any monies are due from Ross, that will be the amount to be assessed or due for repayment to the APFA. The APFA shall either Order said repayment from Ross or submit the Independent Auditors findings to have this arbitrator issue a Supplemental Decision and Remedy.

#### **AWARD**

The grievance is sustained in part and denied in part.

Issued in San Antonio, Texas the 19<sup>th</sup> day of March, 2022.

  
Ruben R. Armendariz, Arbitrator

AGREED-UPON PROCEDURES  
Association of Professional Flight Attendants  
*Procedures Related to Robert Ross*

AGREED-UPON PROCEDURES

Association of Professional Flight Attendants

*Procedures Related to Robert Ross*

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*Independent Accountant's Report*

To the Board of Directors  
 Association of Professional Flight Attendants ("APFA") &  
 Arbitrator Ruben R. Armendariz

We have performed the procedures enumerated below regarding the forensic analysis mandated by Arbitrator Ruben R. Armendariz in his decision dated March 19, 2022 (the "arbitration decision") on the matter between Melissa Chinery and Sandra Lee, APFA Charging Party Members ("Plaintiff") and Robert ("Bob") Ross, Former APFA National President and APFA Charged Party Member ("Defendant"). APFA is responsible for selecting the procedures used in our analysis and for ensuring they meet the relevant criteria specified in the arbitration decision's remedy.

APFA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying the relevant sections of the arbitration decision's remedy. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are detailed below. Certain procedures were performed to satisfy all or a portion of the applicable remedies in the arbitration decision. Likewise, certain remedies required the performance of several procedures. In the table below, we have linked each remedy to the relevant procedure.

<b>Arbitration Decision Remedy</b>	<b>Agreed-Upon Procedure</b>
<i>1(a) The Auditor shall inspect the receipts for the Ross family vacation taken in the Grand Canyon in August 2016. Ross claimed all of hotel stays, meals and mileage charges as relocation moving expenses when some are for a personal vacation. Please determine what costs should not have been claimed as relocation moving expenses. Ross is liable for the excess cost and is hereby Ordered to repay APFA for all inappropriate charges!</i>	Procedure #1 Procedure #2 Procedure #3 Procedure #4 Procedure #6 Procedure #7
<i>1(b) The Auditor shall inspect Ross' APFA credit card usage for personal and group meals and purchases for personal items such as tools, toiletries, bath towels, and candy from April 1, 2016 through July 2018 and determine the cost of all inappropriate charges. If no documentation was provided to support each purchase was a union related business cost, then Ross is liable for all inappropriate charges and is hereby Ordered to repay the APFA for all inappropriate charges!</i>	Procedure #1 Procedure #2 Procedure #3 Procedure #4 Procedure #5





### Arbitration Decision Remedy

- 1(c) *The Auditor shall inspect all of Ross' rental car usage from April 1, 2016 through October 16, 2016 and determine if these rentals were for union related business. APFA paid for the rental cars but there should be documentation to show if it was for union related business. If not, Ross is to be assessed the cost of the rental cars during the above period and is hereby Ordered to repay APFA for inappropriate rental car usage!*
- 1(d) *The Auditor shall inspect all of Ross' claimed mileage from the Sacramento Airport to his residence (42 miles) and return (42 miles) as well as all monthly parking of his personal car. He claimed \$105.00 per month from April 1, 2016 through July 2016 to park his car at the Sacramento airport. Ross is to be assessed the mileage and monthly parking he claimed and Ross is hereby Ordered to repay APFA for all of these inappropriate charges!*

### Agreed-Upon Procedure

Procedure #8  
 Procedure #9

Procedure #6  
 Procedure #10  
 Procedure #11  
 Procedure #12

### Procedure #1

Obtain a record of all credit card transactions initiated by Bob Ross on the APFA credit card for the period from April 1, 2016, to July 31, 2018. If the record is not in the form of the original credit card statement, perform necessary tests to ensure completeness of the report.

**Findings:** We obtained a monthly list of Bob Ross's credit card charges from April 11, 2016 to August 28, 2018, which was in the form of an excerpt from the APFA credit card statements and an internal allocation to the entity's general ledger expense accounts. We also obtained scanned copies of the original Chase credit card statements for account 4246 3152 1635 5741 which included transactions from April 11, 2016 through August 28, 2018. The statements included charges from all authorized users and was segregated by cardholder. Each month's list of charges made by Bob Ross agreed to the cardholder total listed on the monthly Chase credit card statement without exception. APFA has made representations that Mr. Ross did not have access to an APFA credit card until April 11, 2016, as the Chase account was not opened until this date. Therefore, there was no record of credit card transactions for the period from April 1, 2016 to April 10, 2016. Mr. Ross did not have any credit card transactions for the period from March 5, 2018 to July 31, 2018.





## Procedure #2

Obtain supporting documentation for all credit card transactions initiated by Bob Ross on the APFA credit card for the period from April 1, 2016, to July 31, 2018.

**Findings:** We obtained scanned copies of purchase orders, invoices, signed and itemized credit card receipts, and other documentation showing details of the purchased goods or services. Some supporting documentation was illegible or unreadable. Therefore, we scheduled and performed an on-site inspection of certain documents. In regards to the scanned documents we deemed illegible or unreadable, we noted instances for which APFA was unable to provide a legible copy or original document. Some supporting documentation requested was not provided by APFA due to items being lost or not received by Mr. Ross. See the findings in Procedure #3 for more details.

## Procedure #3

Conclude whether charges on Bob Ross's APFA credit card for the period from April 1, 2016 to July 31, 2018 were properly supported by documentation provided by Mr. Ross.

**Findings:** We were not provided with sufficient appropriate documentation for \$4,527.26 in credit card charges. A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.

	<b>Number of Charges</b>	<b>Amount of Charges</b>
<b>Charges with Sufficient Documentation:</b>		
Total charges during the testing period where we were provided with sufficient appropriate documentation	344	\$ 92,588.50
<b>Charges without Sufficient Documentation:</b>		
Total charges during the testing period where incomplete or insufficient documentation was provided	35	\$ 2,314.68
Total charges during the testing period where no documentation was provided	69	2,212.58
	104	\$ 4,527.26
<b>Total charges during the testing period</b>	<b>448</b>	<b>\$ 97,115.76</b>

## Procedure #4

Classify charges on Bob Ross's APFA credit card for the period from April 1, 2016 to July 31, 2018 by the following categories: (a) meals and entertainment, (b) travel, (c) automotive and car rental, and (d) other.



**Findings:** A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.

Classification	Number of Charges	Amount of Charges
Meals and entertainment	108	\$ 9,087.51
Travel	222	60,882.14
Automotive and car rental	3	357.44
Other	115	26,788.67
<b>Total charges during the testing period</b>	<b>448</b>	<b>\$ 97,115.76</b>

### Procedure #5

For charges on Bob Ross's APFA credit card for the period from April 1, 2016 to July 31, 2018 where documentation could be reviewed, conclude whether the expenses were likely (a) personal expenses, (b) non-personal expenses for union-related business, or (c) undeterminable and presumed personal expenses. We based our conclusion on the documentation available for review, the guidelines in IRS Publication 463, *Travel, Gift, and Car Expenses*, the guidelines in IRS Publication 535, *Business Expenses*, relevant Tax Court opinions, and our professional judgement.

**Findings:** We identified \$12,274.00 in credit card charges that were deemed personal in nature. This total does not include any transactions related to Mr. Ross's relocation, as those transactions were tested in Procedure #7. A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.

In applying relevant guidance to this procedure for meal expenses, we consulted certain Tax Court opinions including *Brown v. Comm'r*, Docket No. 16604-19 (U.S.T.C. Mar. 18, 2021) (an adequate record must also be a contemporaneous record) and *Heinbockel v. Comm'r*, T.C. Memo. 2013-125 (U.S.T.C. May. 13, 2013) (disallowance of deductions for meal expenses with employees or coworkers without a wholly documented business purpose). The guidance in the IRS Publications and these opinions emphasize that a receipt alone will not meet the standard to be considered a business expense. Further, business meals must be substantiated by all five of the following: (1) amount, (2) date, (3) location, (4) business purpose of the meal, and (5) identification of individuals present. The business purpose may be simple and brief. We noted most non-travel meals did not include all 5 of these required items, with a majority lacking a documented business purpose. Items in Exhibit A where a receipt was produced but lacked any of the five documentation requirements were classified as "Undeterminable; Presumed Personal."



Classification	Number of Charges	Amount of Charges
<b>Charges Deemed Non-Personal:</b>		
Non-personal (union-related)	300	\$ 74,535.57
<b>Charges Deemed Personal:</b>		
Personal	46	6,144.07
Undeterminable and presumed personal expenses	93	6,129.93
	139	\$ 12,274.00
Related to relocation and tested in Procedure #7	9	\$ 10,306.19
<b>Total charges during the testing period</b>	<b>448</b>	<b>\$ 97,115.76</b>

#### Procedure #6

Obtain reimbursement requests submitted by Bob Ross, associated supporting documentation, and related payment support (check copies, pay stubs, etc.) for reimbursements made to Mr. Ross for the period from April 1, 2016, to October 31, 2016.

**Findings:** We obtained scanned copies of the Monthly Miscellaneous Expense Reports submitted for periods between April 1, 2016 and October 31, 2016 and related supporting documentation. We also obtained the remittance advice included with each reimbursement payment made during the period that included information related to each check. To ensure the completeness of the documentation, we obtained a check register exported from APFA's accounting system and verified any checks issued to Bob Ross were included in our analysis. See Exhibit B.

#### Procedure #7

For charges on Bob Ross's APFA credit card and reimbursements made related to Mr. Ross's relocation from California to Texas in August 2016, conclude based on review of documentation whether the expenses were likely (a) personal expenses related to Mr. Ross's relocation that would likely not meet the IRS's definition of a business expense, (b) reasonable costs associated with Mr. Ross's relocation that would likely meet the IRS's definition of a business expense, or (c) undeterminable and presumed it would likely not meet the IRS's definition of a business expense.

**Findings:** We identified \$775.05 in credit card charges and reimbursements related to Mr. Ross's relocation that were deemed personal in nature. A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit C.



Our assessment was based on review of the supporting documentation, relevant IRS Regulations, the APFA Policy Manual in effect in August 2016, and information contained in the Arbitration Decision. We noted that the APFA Policy Manual section 5H regarding relocation allows for reimbursement for actual moving expenses for relocation by a “certified mover” and the cost of relocating one vehicle (based on actual shipping or the standard mileage rate.) This language is much narrower in scope than what the IRS considers to be a business expense. For example, reimbursement of an employee’s cost incurred for a self-rented moving truck is a business expense under IRS Regulations but would not be eligible for reimbursement under the APFA Policy Manual. In addition, the IRS has said that reasonable moving expenses include gas for a moving vehicle, short-term storage, packing, hotels (for long-distance moves), and mileage.

The Remedy included in the Arbitration Decision and language of this procedure directed us to only conclude on whether APFA expended funds that should not have been claimed as relocation moving expenses, and the amount. We applied our procedures using the more broad definition used by the IRS. This specifically relates to Mr. Ross’s use of rental pods to move his personal affects, which we deemed to be appropriate business-related expenses.

<b>Classification</b>	<b>Number of Transactions</b>	<b>Amount of Transactions</b>
<b>Charges Deemed Non-Personal:</b>		
Expenses considered reasonable costs associated with Mr. Ross’s relocation that would likely meet the IRS’s definition of a business expense	5	\$ 10,669.69
<b>Charges Deemed Personal:</b>		
Expenses related to Mr. Ross’s relocation that would likely not meet the IRS’s definition of a business expense (personal expenses)	4	\$ 541.94
Undeterminable and presumed personal expenses	4	233.11
	8	\$ 775.05
<b>Total charges during the testing period</b>	<b>13</b>	<b>\$ 11,444.74</b>



As the APFA Policy Manual allows for the reimbursement of one vehicle's relocation to DFW using the standard mileage rate, we noted the amount reimbursed for mileage is appropriate. APFA reimbursed Mr. Ross based on the most direct route from his former residence in California to DFW. We recalculated the route using Google Maps and noted the number of miles agreed within 15 miles. Therefore, we determined that the miles listed on the expense report did not include miles for additional stops.

We determined that APFA also paid for four hotel stays in August 2016 totaling \$541.94 that were not valid union expenses or allowed under the APFA Policy Manual. The hearing transcripts showed that Mr. Ross was not present during the hotel stays. We also noted that while the costs of relocating Mr. Ross's vehicle are eligible for reimbursement, such reimbursement would not extend beyond the actual mileage.

We did not identify any costs related to meals or gas being paid or reimbursed by APFA during the trip in August 2016 from Sacramento to DFW.

We were unable to determine if the changes related to the U-Haul rental in August 2016 in DFW were a reasonable business expense. Other than the invoice and fuel receipts, we can only rely on the hearing transcripts where it was discussed the rental was for moving furniture from Ross's Southlake home to an APFA apartment. Therefore, we classified these transactions as "Undeterminable and Presumed Non-Business Expense" as APFA would likely never have incurred the expense had furniture not been delivered to the Southlake residence.

#### **Procedure #8**

Obtain copies of rental agreements and other evidence documenting the purpose of expenses for credit card charges and reimbursements paid for car rental expenses for the period from April 1, 2016 to October 16, 2016.

**Findings:** We obtained the monthly Enterprise rental car statements, which detailed the rental agreement number, driver listed on each rental agreement, the term, and charges. We were unable to obtain copies of the underlying rental agreements. We noted that there were no reimbursement requests for rental car charges. See Exhibit D.

#### **Procedure #9**

Calculate total expenses for car rentals for the period from April 1, 2016 to October 16, 2016 where evidence does not support the use as being Union-related and, therefore, would likely not meet the IRS's definition of a business expense.



**Findings:** A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit D.

Classification	Number of Charges	Amount of Charges
Union-related (business expense)	-	\$ -
Personal	-	-
Undeterminable and presumed personal expenses	6	6,454.38
<b>Total charges during the testing period</b>	<b>6</b>	<b>\$ 6,454.38</b>

Other than the Enterprise Statements, only 1 rental included any other supporting documentation. The 1 rental with supporting documentation included a May 2016 purchase order that was signed and approved by Bob Ross for a rental that indicated it was for Bob Ross. No documentation provided for our review included information supporting whether or not the rental was for union business. Therefore, we were required to classify all such rentals as “Undeterminable and presumed personal expenses.”

#### Procedure #10

Obtain Bob Ross’s mileage logs, or similar reports, for the period from April 1, 2016 to October 31, 2016.

**Findings:** Mileage Logs were included as supporting documentation for all Monthly Miscellaneous Expense Reports. See Exhibit E.

#### Procedure #11

Calculate the amount paid to Bob Ross for reimbursement of mileage from his California residence to Sacramento International Airport.

**Findings:** We calculated that Bob Ross was reimbursed a total of \$725.76 for mileage from his California residence to Sacramento International Airport. See Exhibit E for further details.

#### Procedure #12

Calculate the total amount of charges on Bob Ross’s APFA credit card and reimbursements made to Bob Ross related to airport parking at the Sacramento International Airport incurred from April 1, 2016 to October 31, 2016.

**Findings:** We determined that Bob Ross was charged a total of \$107 for airport parking at the Sacramento International Airport incurred from April 1, 2016 to October 31, 2016. We noted all Sacramento airport parking charges were reimbursements and not charged to the APFA credit card. A summary of the results of this procedure is presented in detail in Exhibit B.





**Procedure #13**

Communicate to the Board of Directors and Arbitrator any transactions for which we were unable to obtain sufficient appropriate evidence or where we believe the transaction was recorded improperly.

**Findings:** We were not able to obtain sufficient evidence for 69 credit card transactions. Refer to Exhibit A for details on these transactions.

We were unable to obtain sufficient evidence for 5 items included on Bob Ross's reimbursement requests. Refer to Exhibit B for details on these transactions.

We were not able to obtain sufficient evidence for any car rental agreements and documentation showing the purpose of the rentals in Exhibit D.

**Summary of Inappropriate Transactions**

A summary of the transactions we determined to be inappropriate is detailed in the table below and organized by the associated remedy. Transactions deemed inappropriate were those without sufficient documentation under the relevant standards, transactions determined to be personal in nature and unrelated to union-business, and those where no evidence was provided.

<b>Arbitration Decision Remedy</b>	<b>Inappropriate Amount</b>
1(a): inappropriate costs claimed as moving expenses	\$ 775.05
1(b): inappropriate credit card charges for meals and personal items	12,274.00
1(c): inappropriate costs related to rental cars	6,454.38
1(d): inappropriate costs related to mileage to Sacramento airport	725.76
1(d): inappropriate costs related to airport parking	107.00
	\$ 20,336.19

Our fees related to this engagement totaled \$14,846.86. Copies of our invoices are included in Exhibit F.

We were engaged by APFA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion on the entity's financial statements as a whole. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of APFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

*Cornwell Jackson, PLLC*

Cornwell Jackson  
 Plano, TX  
 August 5, 2022



**Exhibit A**

List of Credit Card Transactions for the Period of April 1, 2016 to July 31, 2018 and Relevant Testing Performed

Agreed-Upon Procedures - Bob Ross  
List of Credit Card Transactions for the Period of April 1, 2016 to July 31, 2018 and Relevant Testing Performed

Summary of Findings		
Amount	No. of Transactions	
Charges with sufficient appropriate documentation:	344	
Charges with incomplete or insufficient documentation:	35	
Charges with no documentation:	69	
92,585.50	448	
2,314.68		
2,212.58		
97,115.76		
Amount	No. of Transactions	
Meals and entertainment:	108	
Travel:	222	
Automotive and car rental:	3	
Other:	115	
9,087.51	448	
60,882.14		
357.44		
26,288.67		
97,115.76		
Amount	No. of Transactions	
Non-Personal Expense for Union-Related Business:	300	
Personal Expenses:	46	
Undeterminable; Presumed Personal:	93	
Personal; Related to Relocation:	9	
74,535.57	448	
6,144.07		
6,129.93		
10,306.19		
97,115.76		

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co		Y	N	Receipt		Other		Undeterminable; Presumed Personal		In-flight internet subscription; no purpose listed	
1 4/16/2016	52.01	GOGO/IR		Y		Receipt		Other		Undeterminable; Presumed Personal			
2 4/19/2016	309.99	AMAZON		Y		Invoice Receipt		Other		Non-personal (Union-Related Business)			
3 4/20/2016	41.65	AMAZON		Y		Invoice Receipt		Other		Non-personal (Union-Related Business)			
4 4/26/2016	62.50	FLIPS PATIO GRILL TX		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Comm Nat. Chair: Heather/Gerd" noted on receipt	
5 4/27/2016	31.86	SUBWAY TX		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Lunch w/Sched/Const" noted on receipt	
6 5/2/2016	150.78	ONE BISTRO & BAR TX		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"SBA Dept w/Mark Richards" noted on receipt	
7 5/3/2016	339.80	AMAZON		N		Non-Itemized Receipt		Other		Undeterminable; Presumed Personal		Not enough support provided to determine if related to Union business	
8 5/3/2016	148.27	OFFICE DEPOT EULESS		Y		Receipt		Other		Non-personal (Union-Related Business)		"Unicef NYC w/Marcy" noted on receipt	
9 5/5/2016	55.31	SOUVLAKI GR NY		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		Unable to read	
10 5/6/2016	8.80	NYC TAXI		N		Unable to Read Invoice Receipt		Travel		Undeterminable; Presumed Personal			
11 5/8/2016	180.93	AMAZON		Y		Invoice Receipt		Other		Non-personal (Union-Related Business)			
12 5/6/2016	231.85	THE STRAND HOTEL NY		Y		Invoice Receipt		Travel		Non-personal (Union-Related Business)			
13 5/6/2016	46.01	NYC TAXI		Y		Original Receipt		Travel		Non-personal (Union-Related Business)			
14 5/11/2016	19.69	HITCH TAXI D.C.		N		N/A - None Provided		Travel		Undeterminable; Presumed Personal		No support provided	
15 5/12/2016	15.54	HITCH TAXI D.C.		N		N/A - None Provided		Travel		Undeterminable; Presumed Personal		No support provided	
16 5/11/2016	322.20	SONOMA RESTAURANT D.C.		Y		Original Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"NAI DC Rally Comm: O'Neil 6 Assoc/Peter/T. Theriault/Ally/Shane" noted on receipt	
17 5/11/2016	18.04	GRAND CAB D.C.		N		N/A - None Provided		Travel		Undeterminable; Presumed Personal		No support provided	
18 5/12/2016	17.47	DC VIP CAB D.C.		N		N/A - None Provided		Travel		Undeterminable; Presumed Personal		No support provided	
19 5/12/2016	23.81	DC VIP CAB D.C.		N		N/A - None Provided		Travel		Undeterminable; Presumed Personal		No support provided	
20 5/12/2016	525.56	HILTON GARDEN INN D.C.		Y		Purchase Order		Travel		Non-personal (Union-Related Business)		Purchase Order for hotel rooms for Tony Theriault, Bob Ross and Shane Staples	
21 5/12/2016	17.39	GRAND CAB D.C.		Y		Original Receipt		Travel		Non-personal (Union-Related Business)			
22 5/12/2016	102.07	YELLOW CAB VA		Y		Receipt		Travel		Non-personal (Union-Related Business)			
23 5/12/2016	114.91	PHILLIPS SEAFO MD		Y		Original Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Bus DC NAI Rally w/CP F/A's from rally" noted on receipt. CJ noted the transaction is large enough for a group order. Individual names not required.	

Data from Chase Credit Card Statements - Procedure #1			
	Date	Amount	Vendor/Co
24	5/12/2016	65.94	HILTON GARDEN INN D.C.
25	5/12/2016	\$25.56	HILTON GARDEN INN D.C.
26	5/16/2016	52.01	GOGOAIR
27	5/21/2016	212.20	BEST BUY CA
28	5/23/2016	65.15	PF CHANGS GRAPEVINE
29	5/23/2016	28.92	QT EULESS
30	5/25/2016	8.73	ASIAN CHAO PA
31	5/26/2016	22.00	DFW AIRPORT PARKING
32	5/30/2016	131.31	TARGET EULESS
33	5/30/2016	567.09	BED BATH & BEYOND EULESS
34	6/1/2016	237.30	PIRANHA KILLER TX
35	6/3/2016	42.13	HOME DEPOT EULESS
36	6/6/2016	261.81	TARGET EULESS
37	7/7/2016	(311.89)	PLN-HOTEL BOOK ONLINE CT
38	6/8/2016	148.28	PAPPADEAUX TX
39	6/9/2016	75.47	LING & LOUIES TX
40	6/8/2016	721.96	BED BATH & BEYOND EULESS
41	6/10/2016	3.00	DFW AIRPORT PARKING
42	6/10/2016	10.42	STARBUCKS CA
43	6/13/2016	54.08	UNCLE JULIO'S TX
44	6/16/2016	52.01	GOGOAIR
45	6/15/2016	19.58	PIZZA HUT FT W TX
46	6/16/2016	7.78	NATALIE'S CANDY JAR TX
47	6/16/2016	36.47	SAVIANO'S EULESS TX
48	6/21/2016	199.65	AMAZON
49	6/22/2016	33.65	BOOMERJACKS GRL DFW TX
50	6/22/2016	22.00	DFW AIRPORT PARKING
51	6/22/2016	40.00	STARBUCKS RELOAD TX
52	6/24/2016	43.29	OFFICE DEPOT EULESS
53	6/24/2016	7.78	NATALIE'S CANDY JAR TX
54	6/24/2016	66.74	MK'S SUSHI BEDFORD TX
55	7/1/2016	75.75	TLF BICES FLORIST TX
56	7/1/2016	13.52	DRY CLEAN EULESS
57	7/5/2016	16.77	KROGER EULESS

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co		Y	N	Documentation Description Procedure #2 & #3	Other	Personal Expense	Personal Expense	Unable to determine if expense is Union business relate d	No support provided
7/6/2016	27.04	QT EULESS		Y		Original Receipt					
7/6/2016	6.00	STAR EXPRESS CAR WASH		Y		Receipt		Personal Expense			
7/7/2016	311.89	PLIN-HOTEL BOOK ONLINE CT		N		N/A - None Provided		Undeterminable; Presumed Personal		Not related to Union business	
7/8/2016	22.00	DFW AIRPORT PARKING		Y		Receipt		Non-personal (Union-Related Business)			
7/6/2016	37.03	VILLA GRANDE FT WORTH TX		Y		Receipt		Undeterminable; Presumed Personal		No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
7/8/2016	13.33	NATALIE'S CANDY JAR TX		Y		Receipt		Non-personal (Union-Related Business)		"DC Senate: Peter Goetz/Allie M/Tony T"	
7/12/2016	347.28	BISTRO BIS D.C.		Y		Receipt		Non-personal (Union-Related Business)		No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
7/12/2016	43.18	DUBLINER RESTAURANT D.C.		Y		Receipt		Undeterminable; Presumed Personal			
7/12/2016	8.40	METRO AIRPRT BEARNAISE		N		N/A - None Provided		Undeterminable; Presumed Personal		"DC Lunch: Peter G/Allie M/Tony T noted on receipt	
7/13/2016	50.22	BARREL		Y		Receipt		Non-personal (Union-Related Business)			
7/13/2016	69.60	OLD EBBITT GRILL		Y		Receipt		Non-personal (Union-Related Business)		"DC Trip: Allie M/Tony/Bob/Brandon" noted on receipt	
7/13/2016	95.41			Y		Receipt		Non-personal (Union-Related Business)		"DC Trip: Allie M/Tony T/ Peter G/Brandon S" noted on receipt	
7/13/2016	10.74	HITCH TAXI D.C.		Y		Original Receipt		Non-personal (Union-Related Business)			
7/13/2016	9.94	VTS DISTRICT CAB/NON		Y		Receipt		Non-personal (Union-Related Business)			
7/13/2016	5.85	DC TAXI F534		Y		Original Receipt		Non-personal (Union-Related Business)			
7/13/2016	13.80	DC TAXI G315		Y		Receipt		Non-personal (Union-Related Business)			
7/13/2016	12.01	DC TAXI F534		Y		Receipt		Non-personal (Union-Related Business)			
7/14/2016	13.18	HITCH TAXI D.C.		Y		Original Receipt		Non-personal (Union-Related Business)			
7/14/2016	66.00	DFW AIRPORT PARKING		Y		Receipt		Non-personal (Union-Related Business)			
7/14/2016	9.31	VTS DISTRICT CAB/NON		Y		Receipt		Non-personal (Union-Related Business)			
7/14/2016	9.39	DIAL CAB CO.		Y		Receipt		Non-personal (Union-Related Business)			
7/14/2016	7.99	GRAND CAB		Y		Receipt		Non-personal (Union-Related Business)			
7/15/2016	885.10	HOTEL GEORGE		Y		Invoice		Non-personal (Union-Related Business)		CONFIRM FOR BROSS	
7/15/2016	885.10	HOTEL GEORGE		N		N/A - None Provided		Undeterminable; Presumed Personal		No support provided	
7/16/2016	52.01	GOGOAIR		N		N/A - None Provided		Undeterminable; Presumed Personal		No support provided	
7/19/2016	93.00	CQ-ROLL CALL INC		N		N/A - None Provided		Undeterminable; Presumed Personal		No support provided	
7/20/2016	426.92	EXPEDIA		Y		Online Reservation Confirmation		Non-personal (Union-Related Business)		S PRATER	
7/20/2016	426.92	EXPEDIA		Y		Online Reservation Confirmation		Non-personal (Union-Related Business)		THERIAULT	
7/20/2016	426.92	EXPEDIA		Y		Online Reservation Confirmation		Non-personal (Union-Related Business)		S STAPLES	
7/20/2016	426.92	EXPEDIA		Y		Online Reservation Confirmation		Non-personal (Union-Related Business)		M DUNAWAY	
7/23/2016	1,234.76	PODS 9/100		Y		Receipt		Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense	
7/26/2016	6,858.40	PODS 9/100		Y		Receipt		Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense	
8/2/2016	(426.92)	EXPEDIA WA		N		N/A - None Provided		Non-personal (Union-Related Business)		Refund for Expedia charge above	
8/7/2016	(177.43)	THE HOME DEPOT TX		N		N/A - None Provided		Non-personal (Union-Related Business)			
8/24/2016	(331.28)	ASHLEY FURNITURE		N		N/A - None Provided		Personal Expense		Partial Refund	
8/2/2016	1,259.70	PODS FL		Y		Receipt		Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense	
8/2/2016	42.65	STARBUCKS RELOAD TX		Y		Receipt		Personal Expense		Personal charge to related Starbucks account Candy	
8/2/2016	11.20	SACRAMENTO 0412B CA		Y		Receipt		Undeterminable; Presumed Personal		No support provided	
8/5/2016	57.38	EXPEDIA WA		N		N/A - None Provided		Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense	
8/5/2016	379.93	PODS FL		Y		Receipt		Personal; Related to Relocation (refer to separate testing)			

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co											
8/5/2016	35.00	AA CONF CENTER OUTLET		Y		Receipt	Other	Non-personal (Union-Related Business)		Refunded 8/7		Not related to Union business; CJ noted tools and other personal items purchased on receipt	
8/7/2016	177.43	THE HOME DEPOT TX		Y		Receipt	Other	Non-personal (Union-Related Business)					
8/7/2016	159.69	THE HOME DEPOT TX		Y		Receipt	Other	Personal Expense					
8/8/2016	0.69	LOWES FLOWER MOUND		N		N/A - None Provided	Other	Undeterminable; Presumed Personal		No support provided		Not related to Union business; CJ noted transaction related to moving expense and reserved by KROSS.	
8/10/2016	142.70	PRICELINE - LA QUINTA AZ		Y		Online Reservation Confirmation	Other	Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense			
8/10/2016	449.88	EXPEDIA WA		Y		Online Reservation Confirmation	Travel	Non-personal (Union-Related Business)					
8/9/2016	157.18	HOLIDAY INNS AZ		Y		Receipt	Other	Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense			
8/11/2016	80.49	FIFTH SEASON AMARILLO TX		N		N/A - None Provided	Other	Personal; Related to Relocation (refer to separate testing)		No support provided; Accounting records indicate this is related to relocation of Bob Ross.			
8/11/2016	47.50	SNAPPY SALADS SOUTHLAKE		N		N/A - None Provided	Meals & Entertainment	Undeterminable; Presumed Personal		Support does not show what business purpose this relates to.			
8/12/2016	64.30	SHELL OIL SOUTHLAKE		Y		Receipt	Other	Undeterminable; Presumed Personal		Not related to Union business; CJ noted furniture and other personal items purchased on receipt			
8/13/2016	3,637.92	ASHLEY FURNITURE TX		Y		Receipt	Other	Personal Expense		No support provided			
8/16/2016	52.01	GOGOAR		N		N/A - None Provided	Other	Undeterminable; Presumed Personal		No support provided			
8/15/2016	724.02	TLF FLOWERS NY		Y		Receipt	Other	Non-personal (Union-Related Business)					
8/22/2016	80.22	UHAUL MOVING GRAPEVINE		Y		Invoice/Confirmation	Other	Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense			
8/20/2016	112.81	UHAUL MOVING GRAPEVINE		Y		Invoice/Confirmation	Other	Personal; Related to Relocation (refer to separate testing)		Not related to Union business; CJ noted transaction related to moving expense			
8/24/2016	120.67	TAVERNA ROSSA SOUTHLAKE		Y		Original Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"Shane/Cassidy/Brent/Bob/Chuck" noted on receipt. No business purpose listed or individual names. Due to lack of support we must classify as undeterminable			
8/24/2016	91.29	TEXAS L&C BEDFORD		Y		Original Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"Meeting with APFA" noted on receipt			
8/29/2016	14.84	DAIRY QUEEN #43122 EULESS		Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		Personal meal. CJ noted there were no names listed at the top of the receipt			
9/2/2016	3.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)					
9/5/2016	2.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)					
9/7/2016	130.63	JRS STEAKHOUSE		Y		Original Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"APFA Strategy: Mack R/New/Bob" noted on receipt			
9/14/2016	67.56	RAVENS GRILLE TX STAR GLF		Y		Original Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"APFA Agenda: Nena/Marcy/Maureen" noted on receipt			
9/16/2016	52.01	GOGOAIR.COM		N		N/A - None Provided	Other	Undeterminable; Presumed Personal		No support provided			
9/19/2016	63.33	BISTRO BIS D.C.		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"Dinner Meeting: Peter Godtz/Shane Staples" noted on receipt			
9/20/2016	12.63	YELLOW CAB CO D.C.		Y		Receipt	Travel	Non-personal (Union-Related Business)					
9/20/2016	24.40	TAXI/CHARGE D.C. BROOKLYN		Y		Original Receipt	Travel	Non-personal (Union-Related Business)					
9/20/2016	456.86	HYATT REGENCY D.C.		Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM BROSS			
9/20/2016	456.86	HYATT REGENCY D.C.		Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM S.STAPLES			
9/21/2016	48.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)					
9/28/2016	292.67	HILTON HOTEL		Y		Folio	Travel	Non-personal (Union-Related Business)					
9/28/2016	292.67	HILTON HOTEL		Y		Folio	Travel	Non-personal (Union-Related Business)					
10/1/2016	78.17	MARCO'S PIZZA		Y		Original Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		CJ noted APFA purchase order was created alongside receipt. The transaction was large enough for a group order.			
10/4/2016	341.94	UNCLE BUCK'S STEAK		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"BOD Meeting: 18 APFA Rps" noted on receipt. CJ noted several meals charged on receipt indicating a large group. Individual names not required.			
10/13/2016	19.13	ROSA'S CAFÉ EULESS		N		N/A - None Provided	Meals & Entertainment	Undeterminable; Presumed Personal		No support provided			



Data from Chase Credit Card Statements - Procedure #1												
	Date	Amount	Vendor/Co									
132	10/16/2016	52.01	GOGOAIR									
133	10/17/2016	8.20	AA CONF CENTER OUTLET									
134	10/20/2016	2.00	DFW AIRPORT PARKING									
135	10/26/2016	2.00	DFW AIRPORT PARKING									
136	10/28/2016	10.00	DFW AIRPORT PARKING									
137	11/1/2016	11.70	HITCH TAXI D.C.									
138	11/1/2016	8.79	AA INFLIGHT PURCH									
139	11/1/2016	12.09	DC VIP CAB									
140	11/2/2016	24.00	DFW AIRPORT PARKING									
141	11/9/2016	41.25	ROSAS CAFÉ									
142	11/16/2016	52.01	GOGOAIR									
143	11/24/2016	10.00	DFW AIRPORT PARKING									
144	11/28/2016	163.98	HAMPTON INN & SUITES									
145	12/1/2016	15.54	NATALIES CANDY JAR									
146	12/2/2016	184.10	MARRIOTT LAX AIRPORT									
147	12/2/2016	184.10	MARRIOTT LAX AIRPORT									
148	12/2/2016	184.10	MARRIOTT LAX AIRPORT									
149	12/3/2016	184.10	MARRIOTT LAX AIRPORT									
150	12/3/2016	2.00	DFW AIRPORT PARKING									
151	12/5/2016	22.08	SQ ALEXANDRIA UNION CAB									
152	12/5/2016	16.59	UBER									
153	12/5/2016	6.41	UBER									
154	12/5/2016	14.18	HITCH TAXI D.C.									
155	12/6/2016	24.00	DFW AIRPORT PARKING									
156	12/16/2016	52.01	GOGOAIR									
157	12/16/2016	2.00	DFW AIRPORT PARKING									
158	12/20/2016	26.29	NATALIES CANDY JAR									
159	12/22/2016	27,308.34	HILTON CAPITAL									
160	12/24/2016	25.50	SUNSETNEWSST2620									
161	1/3/2017	12.53	UBER									
162	1/3/2017	10.15	UBER									
163	1/3/2017	8.15	UBER									
164	1/3/2017	17.24	STARBUCKS GATES									
165	1/3/2017	40.00	STARBUCKS RELOAD									
166	1/3/2017	6.99	TRAVEL TRADERS									
167	1/4/2017	57.63	FUEL PIZZA									
168	1/4/2017	58.60	HAWK N' DOVE									
169	1/5/2017	9.07	SUBWAY									

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co											
170 1/5/2017	124.48	TLF BICES FLORIST		Y		Invoice		Other		Non-personal (Union-Related Business)		"DC Int Arb: 5 Union Rep's Attorney" noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.	
171 1/5/2017	363.20	KELLARI TAVERNA		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)			
172 1/7/2017	15.41	UBER		Y		Screenshot of Receipt		Other		Non-personal (Union-Related Business)			
173 1/8/2017	17.99	VIASAT IN-FLIGHT WII		N		N/A - None Provided		Other		Undeterminable; Presumed Personal		No support provided	
174 1/9/2017	13.70	SFO PEETS COFFEE		Y		Receipt		Other		Personal Expense		Coffee for flight crew	
175 1/12/2017	(6,735.86)	HILTON CAPITAL		Y		Invoice Reversal		Travel		Non-personal (Union-Related Business)		PARTIAL REFUND FOR 12/22/2016	
176 1/16/2017	52.01	GOGOAR		N		N/A - None Provided		Other		Undeterminable; Presumed Personal		No support provided	
177 1/17/2017	358.25	ROWN NYC FD		Y		Reservation Confirmation		Travel		Non-personal (Union-Related Business)			
178 1/17/2017	424.88	ROWN NYC FD		Y		Reservation Confirmation		Travel		Non-personal (Union-Related Business)			
179 1/17/2017	427.19	ROWN NYC FD		Y		Reservation Confirmation		Travel		Non-personal (Union-Related Business)			
180 1/17/2017	427.19	ROWN NYC FD		Y		Reservation Confirmation		Travel		Non-personal (Union-Related Business)			
181 1/18/2017	(182.06)	HILTON CAPITAL		Y		Invoice Reversal		Travel		Non-personal (Union-Related Business)		PARTIAL REFUND FOR 12/22/2016	
182 1/18/2017	108.59	THE LAVA GRILL		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Union Meeting: 4 APFA Reps. names are illegible" noted on receipt. CJ noted several meals charged on receipt indicating a large group.	
183 1/20/2017	2.00	DFW AIRPORT PARKING		Y		Receipt		Travel		Non-personal (Union-Related Business)			
184 1/21/2017	25.55	FREEBIRDS		Y		Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		"Office lunch" noted on receipt. No names listed on receipt. Due to lack of support we must classify as undeterminable.	
185 1/21/2017	60.54	MICHAEL'S STORES		Y		Receipt		Other		Non-personal (Union-Related Business)		CJ noted frames purchased on receipt	
186 1/23/2017	172.51	LA HACIENDA RANCH		Y		Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		"APFA Reps" noted on receipt. No business purpose listed or individual names. Due to lack of support we must classify as undeterminable.	
187 1/25/2017	77.21	OUTBACK		Y		Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
188 1/30/2017	55.67	RAVENS GRILLE TX STAR GLF		Y		Original Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Officer Meeting: Bob Nenu/Eugenio" noted on receipt	
189 2/1/2017	15.53	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
190 2/3/2017	28.79	SIMPLY BURGERS FT WORTH		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"Apt Review: Bob Rachel/Eugenio" noted on receipt	
191 2/5/2017	39.56	THE GINGER MAN		Y		Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		"Joll Surdeck +3" noted on receipt." No business purpose listed. Due to lack of support we must classify as undeterminable.	
192 2/7/2017	9.00	ACE PARKING		Y		Receipt		Other		Non-personal (Union-Related Business)			
193 2/7/2017	89.82	ROWN NYC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM P HANCOCK	
194 2/7/2017	89.82	ROWN NYC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM R HARRIS	
195 2/7/2017	89.94	ROWN NYC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM A.MALLIS	
196 2/7/2017	89.82	ROWN NYC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM R. COLE	
197 2/14/2017	86.28	IFRATELLI PIZZA		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"APFA : Jodi Czadajski" is listed on receipt by vendor. CJ noted the transaction is large enough for a group order. Individual names not required.	
198 2/16/2017	52.01	GOGOAR		N		N/A - None Provided		Other		Undeterminable; Presumed Personal		No Support provided	
199 2/17/2017	34.35	ARAMARK AM AIRLINES		Y		Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		"Neil/Nenu/Kim R/Cind S" noted on receipt. No business purpose listed. Due to lack of support we must classify as undeterminable.	
200 2/21/2017	14.45	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)		Not related to Union business; CJ noted bottled water purchased on receipt	
201 2/21/2017	6.96	THE HOME DEPOT		Y		Receipt		Other		Personal Expense			

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co		Y	N	Documentation Description Procedure #2 & #3		Personal Expense			
2/23/2017	8.29	WALGREENS		Y		Receipt	Other	Personal Expense		Not related to Union business; CI noted	
2/28/2017	9.50	ROSAS CAFÉ EULESS		Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		antiseptic spray purchased on receipt. No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
3/1/2017	50.00	STARBUCKS RELOAD DALLAS		Y		Receipt	Other	Personal Expense			
3/2/2017	12.45	MCDONALDS IRVING		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)			
3/2/2017	48.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)		"MIA/DFW Lunch w/FA @ Airport" noted on receipt	
3/2/2017	16.56	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/2/2017	2.00	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/2/2017	37.88	DFW 1270 ISTORE A21		Y		Receipt	Other	Personal Expense		Not related to Union business; CI noted lightning cable purchased on receipt. CONFIRM BROSS	
3/3/2017	224.87	HAMPTON INN MIAMI FL		Y		Invoice	Travel	Non-personal (Union-Related Business)			
3/5/2017	234.15	CARMINES STEAKHOUSE MO		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"STL BOD: Steve Watson Randy/Tony" noted on receipt	
3/7/2017	102.15	IMO'S PIZZA MO		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"STL BOD Meeting Pizza" noted on receipt. CI noted the transaction was a large group order. Individual names not required	
3/8/2017	39.74	GAREWAY IRISH PUB MO		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"BOD Meeting w/Tony" noted on receipt	
3/9/2017	93.85	IMO'S PIZZA MO		Y		Invoice Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
3/9/2017	304.33	SUGARFIRE MO		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"St Louis BOD Meeting Dinner for 13 Reps" noted on receipt. CI noted the transaction was large enough for a group order. Individual names not required.	
3/10/2017	22.46	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)		"APFA Meet w/Tony T/Julie H." noted on receipt	
3/14/2017	39.96	CHUY'S SOUTHLAKE		Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)			
3/15/2017	1,098.52	HYATT REGENCY PA		Y		Invoice Receipt	Travel	Non-personal (Union-Related Business)			
3/16/2017	52.01	GOGOAIR		N		N/A - None Provided	Other	Undeterminable; Presumed Personal		No support provided	
3/19/2017	9.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)			
3/20/2017	205.00	PAYPAL		Y		Receipt	Other	Non-personal (Union-Related Business)		Officer handbook	
3/21/2017	11.16	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/21/2017	13.71	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/22/2017	195.20	DBLTREE AIR PA		Y		Invoice	Other	Non-personal (Union-Related Business)		CONFIRM RHARRIS	
3/22/2017	195.20	DBLTREE AIR PA		Y		Invoice	Other	Non-personal (Union-Related Business)		CONFIRM PHANCOCK	
3/22/2017	48.00	DFW AIRPORT PARKING		Y		Receipt	Travel	Non-personal (Union-Related Business)			
3/22/2017	445.40	WASHINGTON COURT HOTEL		Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM BROSS	
3/23/2017	217.82	HAMPTON INN & SUITES NC		Y		Confirmation	Travel	Non-personal (Union-Related Business)		REFUNDED 4/12	
3/23/2017	217.82	HAMPTON INN & SUITES NC		Y		Confirmation	Travel	Non-personal (Union-Related Business)		REFUNDED 4/12	
3/23/2017	(183.09)	HYATT REGENCY PA		Y		Invoice	Travel	Non-personal (Union-Related Business)		Refund	
3/24/2017	376.71	COURTYARD EMBASSY D.C.		N		N/A - Refund	Travel	Non-personal (Union-Related Business)		REFUNDED 04/08	
3/28/2017	15.02	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/28/2017	8.64	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
3/28/2017	35.80	THE GARDEN GRILLE D.C.		Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"w/Julie Frederick DC" noted on receipt. No business purpose listed. Due to lack of support we must classify as undeterminable.	
3/29/2017	6.93	UBER		Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3			Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments
	Date	Amount	Vendor/Co	Y	N	Documentation Description Procedure #2 & #3					
236	3/29/2017	29.35	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
237	3/29/2017	5.00	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
238	3/29/2017	1.29	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
239	3/29/2017	15.50	DC TAXI D.C.	N		Illegible receipt	Travel	Undeterminable; Presumed Personal			No additional support provided to determine
240	3/29/2017	8.28	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
241	3/30/2017	48.00	DFW AIRPORT PARKING	Y		Receipt	Travel	Non-personal (Union-Related Business)			
242	3/30/2017	525.56	HILTON GARDEN INN D.C.	Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM B ROSS	
243	3/30/2017	525.56	HILTON GARDEN INN D.C.	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)		CONFIRM FREDERICK	
244	4/7/2017	48.05	VIA REAL IRVING	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"APFA Interview for Assis 2 Pres." noted on receipt. No copy of itemized receipt and no names listed. Due to lack of support we must classify as undeterminable. Refund support not obtained	
245	4/8/2017	(376.71)	COURTYARD EMBASSY D.C.	N		N/A - Refund	Travel	Non-personal (Union-Related Business)		Refund support not obtained	
246	4/12/2017	(217.82)	HAMPTON INN & SUITES NC	N		N/A - Refund	Travel	Non-personal (Union-Related Business)		Refund support not obtained	
247	4/12/2017	(217.82)	HAMPTON INN & SUITES NC	N		N/A - Refund	Travel	Non-personal (Union-Related Business)		Refund support not obtained	
248	4/16/2017	52.01	GOGOAR	N		N/A - None Provided	Other	Undeterminable; Presumed Personal		No support provided	
249	4/17/2017	56.50	SUSHI ZEN SOUTHLAKE	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"Rasy T /Steve" noted on receipt. No business purpose listed. Due to lack of support we must classify as undeterminable. No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
250	4/17/2017	135.08	RAVENS GRILLE TX STAR GLF	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal			
251	4/19/2017	129.89	EINSTEIN BROS LAKEWOOD	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)			
252	4/19/2017	110.18	MIDIA GRAPEVINE	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)			
253	4/25/2017	13.85	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
254	4/25/2017	94.20	BOBBY VANS STEAKHOUSE	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"Macy/Peter/James Horowitz/John Shiffa/Shane" noted on receipt. CJ noted that 5 alcoholic beverages were purchased but there was no business purpose listed. Due to lack of support we must classify as undeterminable.	
255	4/25/2017	57.37	BLACKFINN AMERIPUB D.C	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"D.C. w/Shane" is noted on receipt. No business purpose is listed and no itemized copy of the receipt. Due to lack of support we must classify as undeterminable.	
256	4/26/2017	845.02	HILTON GARDEN INN D.C.	Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM B ROSS	
257	4/26/2017	845.02	HILTON GARDEN INN D.C.	Y		Invoice	Travel	Non-personal (Union-Related Business)		CONFIRM B ROSS	
258	4/26/2017	15.68	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)			
259	4/28/2017	36.24	LUHA'S PIZZA	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal		"EC/BOD Call - Illegible Name" Itemized portion of meals is illegible. Due to lack of support we must classify as undeterminable.	
260	5/2/2017	151.03	LEHMAN'S TAVERN	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"Base Meet: Knoke/Plevritas/Ramsale" noted on receipt	
261	5/2/2017	35.25	ONE BISTRO AND BAR	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		"Holiday Inn Commun: Mark/Rich/Steve" noted on receipt	
262	5/2/2017	61.21	INMOTION PHIL-C1	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)		Not related to Union business; CJ noted charger cable purchased on receipt	
263	5/2/2017	7.78	NATALIES CANDY JAR	Y		Receipt	Other	Personal Expense			
264	5/2/2017	50.00	STARBUCKS RELOAD	Y		Receipt	Other	Non-personal (Union-Related Business)		Personal charge to reload Starbucks account	
265	5/4/2017	48.00	DFW AIRPORT PARKING	Y		Receipt	Other r Travel	Non-personal (Union-Related Business)			

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co											
266	5/4/2017	183.65	HAMPTON INN PA	Y		Folio	Travel	Non-personal (Union-Related Business)					
267	5/4/2017	172.10	HAMPTON INN PA	Y		Folio	Travel	Non-personal (Union-Related Business)					
268	5/4/2017	183.65	HAMPTON INN PA	Y		Folio	Travel	Non-personal (Union-Related Business)					
269	5/10/2017	8.17	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
270	5/10/2017	6.59	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
271	5/10/2017	15.14	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
272	5/10/2017	366.26	ZAYTINYA	Y		Receipt	Meals & Entertainment	Undeterminable; Presumed Personal				No business purpose or names listed on receipt. Due to lack of support we must classify as undeterminable.	
273	5/11/2017	7.69	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
274	5/11/2017	7.14	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
275	5/11/2017	15.89	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
276	5/11/2017	6.55	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
277	5/11/2017	(6.55)	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)				Refund	
278	5/11/2017	45.09	EL CENTRO DF	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)				"Coalition DC: Steve W/Julie F/Noelle W" noted on receipt	
279	5/11/2017	8.96	TAXI SVS D.C.	Y		Receipt	Travel	Non-personal (Union-Related Business)					
280	5/12/2017	48.00	DFW AIRPORT PARKING	Y		Receipt	Travel	Non-personal (Union-Related Business)					
281	5/12/2017	376.71	COURTYARD EMBASSY ROW	Y		Invoice	Travel	Non-personal (Union-Related Business)				CONFIRM FREDERICK	
282	5/12/2017	376.71	COURTYARD EMBASSY ROW	Y		Invoice	Travel	Non-personal (Union-Related Business)				CONFIRM S.WATSON	
283	5/12/2017	468.31	COURTYARD EMBASSY ROW	Y		Invoice	Travel	Non-personal (Union-Related Business)				CONFIRM FOR BROSS	
284	5/12/2017	376.71	COURTYARD EMBASSY ROW	Y		Invoice	Travel	Non-personal (Union-Related Business)				CONFIRM NWEILER	
285	5/16/2017	52.01	GOGO AIR	N		N/A - None Provided	Other	Undeterminable; Presumed Personal				No support provided	
286	5/17/2017	101.82	COLUMBIA FLORIST GALLERY	Y		Receipt	Other	Non-personal (Union-Related Business)					
287	5/18/2017	309.94	HILTON HOTELS OHARE	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
288	5/18/2017	309.94	HILTON HOTELS OHARE	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
289	5/23/2017	140.44	MAC'S SPEED SHOP	Y		Receipt	Meals & Entertainment	Non-personal (Union-Related Business)				"Client Base Visit, BCR Meal" noted on receipt. CJ noted several meals charged on receipt indicating a large group. Individual names not re-quired	
290	5/24/2017	183.25	HAMPTON INN & SUITES	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
291	5/24/2017	13.32	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
292	5/24/2017	16.95	UBER	Y		Screenshot of Receipt	Travel	Non-personal (Union-Related Business)					
293	5/24/2017	183.25	HAMPTON INN & SUITES	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
294	5/24/2017	240.87	HAMPTON INN & SUITES	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
295	5/24/2017	240.87	HAMPTON INN & SUITES	Y		Invoice	Travel	Non-personal (Union-Related Business)				CONFIRM FOR BROSS	
296	5/24/2017	50.00	STARBUCKS RELOAD	Y		Receipt	Other	Personal Expense				Personal charge to reload Starbucks account	
297	5/25/2017	48.00	DFW AIRPORT PARKING	Y		Receipt	Travel	Non-personal (Union-Related Business)					
298	5/26/2017	9,307.32	WESTIN DALLAS FT WORTH	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
299	5/27/2017	145.77	HILTON GARDEN INN MIAMI	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					
300	5/27/2017	145.77	HILTON GARDEN INN MIAMI	Y		Invoice/Confirmation	Travel	Non-personal (Union-Related Business)					

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co											
5/29/2017	240.87	HAMPTON INN & SUITES NC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM FOR BROSS	
5/29/2017	240.87	HAMPTON INN & SUITES NC		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM S.WATSON	
6/1/2017	37.06	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
6/1/2017	5.37	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
5/31/2017	90.89	SUSHI RAN		N		Unreadable Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		Unreadable	
5/31/2017	22.49	STARBUCKS DALLAS		Y				Meals & Entertainment		Personal Expense		Non related to Union business; Personal charge to Starbucks	
6/1/2017	5.14	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
6/2/2017	48.00	DFW AIRPORT PARKING		Y		Receipt		Travel		Non-personal (Union-Related Business)			
6/1/2017	217.61	THE BEVERLY GARLAND CA		Y		Invoice Confirmation & Email Correspondence Receipt		Travel		Non-personal (Union-Related Business)			
6/2/2017	77.64	THE FRONTIARY BEVERLYCA		Y		Reservation Confirmation		Meals & Entertainment		Non-personal (Union-Related Business)		"Dateline NBC LA: Janice Harowitz/Noelle Wiener" noted on receipt	
6/2/2017	150.00	ARIES SHUTTLE DALLAS		Y				Automotive & Car Rental		Non-personal (Union-Related Business)			
6/8/2017	8.74	EINSTEIN BROS BAGEL		N		Post-it provided Receipt		Meals & Entertainment		Undeterminable; Presumed Personal		No additional support provided to determine "BOD; illegible names" noted on receipt. CJ noted several meals charged on receipt indicating a large group. Individual names not required	
6/9/2017	64.73	SALTGRASS GRAPEVINE		Y				Meals & Entertainment		Non-personal (Union-Related Business)		"For xfer meet: Chuck/Sieve/Daniel" noted on receipt	
6/14/2017	43.08	SIMPLY BURGERS		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		No support provided	
6/16/2017	52.01	GOGOAR		N		N/A - None Provided Receipt		Other		Undeterminable; Presumed Personal		Not related to Union business; CJ noted no additional names on receipt and determined transaction as a personal meal	
6/18/2017	12.10	DALLAS 1259C DALLAS TX		Y		Receipt		Travel		Personal Expense			
6/18/2017	6.85	STARBUCKS DALLAS		Y				Travel		Personal Expense			
6/20/2017	160.20	HAMPTON INN & SUITES NC		Y		Invoice/Confirmation		Travel		Non-personal (Union-Related Business)			
6/20/2017	160.20	HAMPTON INN & SUITES NC		Y		Invoice/Confirmation		Travel		Non-personal (Union-Related Business)			
6/22/2017	450.74	CRYSTAL INN VA		Y		Invoice		Travel		Non-personal (Union-Related Business)		CONFIRM R.HARRIS	
6/27/2017	16.78	MARRIOTT SOLANA DRW		N		N/A - None Provided Receipt		Travel		Undeterminable; Presumed Personal		No support provided	
7/10/2017	63.53	RAVENS GRILLE EULESS		Y				Meals & Entertainment		Non-personal (Union-Related Business)		"APFA Contract Schedule Commune" noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.	
7/16/2017	52.01	GOGOAR		N		N/A - None Provided Receipt		Other		Undeterminable; Presumed Personal		No support provided	
7/17/2017	20.54	UBER		N		N/A - None Provided Receipt		Travel		Undeterminable; Presumed Personal		No support provided	
7/16/2017	42.43	BLACKFINN AMERIPUB D.C.		Y				Meals & Entertainment		Undeterminable; Presumed Personal		"D.C. w/Pete" noted on receipt. No business purpose listed. Due to lack of support we must classify as undeterminable.	
7/16/2017	7.78	NATALIE'S CANDY JAR TX		Y		Receipt		Other		Non-personal (Union-Related Business)		Chocolate	
7/17/2017	10.26	DC TAXI D.C.		Y		Receipt		Travel		Non-personal (Union-Related Business)		"DC Air Safety Forum w/Peter" noted on receipt	
7/17/2017	39.70	CARMINE'S D.C.		Y		Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		No support provided	
7/18/2017	2.00	HILTON GARDEN INN D.C.		N		N/A - None Provided Screenshot of Receipt		Travel		Undeterminable; Presumed Personal			
7/18/2017	9.02	UBER		Y				Travel		Non-personal (Union-Related Business)			
7/17/2017	10.01	CMT WASHINGTON D.C.		N		N/A - None Provided Receipt		Other		Undeterminable; Presumed Personal		No support provided	
7/18/2017	7.67	TAXI SVS D.C.		Y				Travel		Non-personal (Union-Related Business)			
7/20/2017	12.77	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
7/19/2017	6.87	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
7/18/2017	11.36	DC TAXI D.C.		Y		Receipt		Travel		Non-personal (Union-Related Business)			
7/19/2017	12.01	HITCH TAXI D.C.		N		Unreadable Receipt		Travel		Undeterminable; Presumed Personal		Unreadable	
7/18/2017	10.28	CMT WASHINGTON D.C.		Y				Travel		Non-personal (Union-Related Business)			
7/20/2017	14.78	UBER		Y		Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			



Data from Chase Credit Card Statements - Procedure #1				
	Date	Amount	Vendor/Co	
339	7/20/2017	46.32	EL CENTRO DF VA	
340	7/19/2017	13.82	TAXI SVS D.C.	
341	7/20/2017	3.65	GEORGETOWN MKT VA	
342	7/21/2017	365.26	HILTON INTERNATIONAL D.C.	
343	7/20/2017	1,762.08	HILTON GARDEN INN D.C.	
344	7/26/2017	3.00	DFW AIRPORT PARKING	
345	7/26/2017	12.99	HOTELBOOKING SVS FEE	
346	7/26/2017	8.76	NATALIE'S CANDY JAR TX	
347	7/28/2017	34.00	DFW AIRPORT PARKING	
348	7/27/2017	190.44	ENTERPRISE RENT-A-CAR NY	
349	7/27/2017	8.60	AUNTIE ANNE'S NY	
350	7/27/2017	14.22	CONOCO GAS STATION NY	
351	7/28/2017	155.85	SPRINGHILL SUITES NY	
352	7/28/2017	289.30	MHF LOGAN HAMPTON MA	
353	8/3/2017	587.22	PAYPAL AIRLINEMB VA	
354	8/6/2017	17.00	ENTERPRISE CAR TOLLS	
355	8/11/2017	426.88	COURTYARD BY MARRIOTT	
356	8/12/2017	151.74	WINEWOOD GRL GRAPEVINE	
357	8/16/2017	52.01	GOGOAIR	
358	8/22/2017	9.00	DFW AIRPORT PARKING	
359	8/24/2017	24.00	DFW AIRPORT PARKING	
360	8/24/2017	7.84	G-MIAMI FOOD AIRPORT FL	
361	8/24/2017	40.00	STARBUCKS RELOAD DALLAS	
362	9/18/2017	(587.22)	PAYPAL AIRLINEMB VA	
363	8/29/2017	23.78	KFC EULESS	
364	8/30/2017	157.78	HAMPTON INN & SUITES DFW	
365	8/30/2017	157.78	HAMPTON INN & SUITES DFW	
366	9/16/2017	52.01	GOGOAIR	
367	9/19/2017	134.77	HIRDU MORRISVILLE NC	
368	9/27/2017	789.66	HYATT REGENCY PA	
369	10/3/2017	160.55	HAMPTON INN PA	
370	10/3/2017	160.55	HAMPTON INN PA	
371	10/4/2017	122.57	SUSHI ZUSHI SOUTHLAKE	
372	10/6/2017	399.92	HYATT REGENCY PA	
373	10/12/2017	107.41	SUSHI ZUSHI SOUTHLAKE	
374	10/16/2017	52.01	GOGOAIR	

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3			Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co		Y	N	Documentation Description Procedure #2 & #3	Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
375 10/17/2017	218.80	HILTON HOTELS AIRPORT CA		Y		Invoice	Travel		Non-personal (Union-Related Business)		CONFIRM R. HARRIS	
376 10/17/2017	218.80	HILTON HOTELS AIRPORT CA		Y		Invoice	Travel		Non-personal (Union-Related Business)		CONFIRM PHANCOCK	
377 10/18/2017	35.93	AMAZON MKTPLACE		Y		Invoice	Other		Personal Expense			Purchase was for a lumbar cushion for Jodi Czajski and mailed to a residence. Not related to Union business; CJ noted charger cable purchased on receipt FOR EVENT
378 10/17/2017	64.93	OFFICE DEPOT EULESS		Y		Receipt	Other		Personal Expense			
379 10/19/2017	3,673.78	MARRIOTT SOLANA DFW		Y		Invoice	Other		Non-personal (Union-Related Business)			
380 10/18/2017	312.71	CLUB QUARTERS SF CA		Y		Invoice	Other		Non-personal (Union-Related Business)		CONFIRM R. HARRIS	
381 10/18/2017	312.71	CLUB QUARTERS SF CA		Y		Invoice	Other		Non-personal (Union-Related Business)		CONFIRM PHANCOCK	
382 10/23/2017	26.71	SAVIANOS EULESS		Y		Receipt	Meals & Entertainment		Personal Expense			"Sched/Contract Review/Interview" noted on receipt. No additional names listed. CJ Noted that food was for only one guest. Determined personal.
383 10/26/2017	19.27	5GUYS SOUTHLAKE		Y		Receipt	Meals & Entertainment		Undeterminable; Presumed Personal			"For Pre-Arb SBA" noted on receipt. No additional names listed. Due to lack of support we must classify as undeterminable
384 10/25/2017	184.93	#54 BRIO SOUTHLAKE		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"Pre-Arb: Ross/Randy/Illegible Name" noted on receipt
385 10/28/2017	95.11	SUSHI ZUSHI SOUTHLAKE		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"BOD: for Pre Arbitration Conf" noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.
386 10/31/2017	97.41	LAZY DOG EULESS		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"ABFA: Daniel/Chuck/Shane" noted on receipt.
387 11/4/2017	169.86	HAMPTON INNS IL		Y		Invoice/Confirmation	Travel		Non-personal (Union-Related Business)			
388 11/8/2017	2.00	DFW AIRPORT PARKING		Y		Receipt	Travel		Non-personal (Union-Related Business)			
389 11/16/2017	52.01	GOGOAR		N		N/A - None Provided	Other		Undeterminable; Presumed Personal			No support provided
390 11/16/2017	55.50	NOTHING BUNDT CAKES		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			
391 11/20/2017	17.30	NATALIE'S CANDY JAR TX		Y		Receipt	Other		Non-personal (Union-Related Business)			
392 11/30/2017	120.67	ROCKFISH SEAFOOD TX		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			
393 11/30/2017	121.57	COWTOWN SUSHI TX		Y		Receipt	Meals & Entertainment		Undeterminable; Presumed Personal			"For ARB: Ross/Randy T" noted on receipt
394 12/2/2017	52.75	7-ELEVEN SOUTHLAKE		N		N/A - None Provided	Other		Undeterminable; Presumed Personal			"For ARBIT" noted on receipt. No names were listed. Due to lack of support we must classify as undeterminable.
395 12/5/2017	7.78	NATALIE'S CANDY JAR TX		Y		Receipt	Other		Non-personal (Union-Related Business)			No support provided Chocolate
396 12/6/2017	15.68	VIP CAB D.C.		N		N/A - None Provided	Travel		Undeterminable; Presumed Personal			
397 12/7/2017	16.19	UBER		Y		Screenshot of Receipt	Travel		Non-personal (Union-Related Business)			
398 12/7/2017	2.86	STARBUCKS D.C.		N		N/A - None Provided	Meals & Entertainment		Undeterminable; Presumed Personal			No support provided Bob Ross
399 12/7/2017	499.50	CAPITOL HILL SUITES D.C.		Y		Reservation Confirmation	Travel		Non-personal (Union-Related Business)			
400 12/8/2017	138.32	RA SUSHI SOUTHLAKE		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"ARB BOD Benefit: Rob/Clyman/Randy Trautman" noted on receipt
401 12/10/2017	18.83	JERSEY MIKES FT WORTH		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"Lunch Randy T. For Communications" noted on receipt Catering
402 12/8/2017	500.00	BW ISLAND HOTEL CA		Y		Meeting Space Agreement	Other		Non-personal (Union-Related Business)			
403 12/10/2017	49.77	COWTOWN SUSHI TX		Y		Receipt	Meals & Entertainment		Non-personal (Union-Related Business)			"ARBIT: Randy/Stacks" noted on receipt
404 12/12/2017	159.18	HAMPTON INN & SUITES DFW		Y		Invoice/Confirmation	Travel		Non-personal (Union-Related Business)			No support provided
405 12/16/2017	52.01	GOGOAIR		N		N/A - None Provided	Other		Undeterminable; Presumed Personal			Not related to Union business; CJ noted phone case purchased on receipt
406 12/17/2017	21.64	BESTBUY GRAPEVINE		Y		Receipt	Other		Personal Expense			Not related to Union business; Personal charge to Starbucks
407 12/21/2017	9.15	STARBUCKS OMNI		Y		Receipt	Other		Personal Expense			No support provided
408 12/27/2017	6.81	OFFICE DEPOT EULESS		N		N/A - None Provided	Other		Undeterminable; Presumed Personal			Not related to Union business; CJ noted charger cables purchased on receipt t
409 12/28/2017	43.28	STAPLES SOUTHLAKE		Y		Receipt	Other		Personal Expense			

Data from Chase Credit Card Statements - Procedure #1				
	Date	Amount	Vendor/Co	
410	12/29/2017	75.76	TARGET EULESS	
411	1/6/2018	15.00	COWTOWN SUSHI TX	
412	1/16/2018	52.01	GOGOAR	
413	1/22/2018	92.41	CAPITOL HILL SUITES D.C.	
414	1/22/2018	92.41	CAPITOL HILL SUITES D.C.	
415	2/7/2018	(1.99)	UBER	
416	1/30/2018	245.67	CAPITOL HILL SUITES D.C.	
417	1/30/2018	245.67	CAPITOL HILL SUITES D.C.	
418	1/30/2018	500.00	BW ISLAND HOTEL CA	
419	1/30/2018	245.67	CAPITOL HILL SUITES D.C.	
420	1/30/2018	245.67	CAPITOL HILL SUITES D.C.	
421	1/31/2018	2.44	STARBUCKS FT WORTH	
422	2/6/2018	247.47	HAMPTON INN FL	
423	2/6/2018	247.47	HAMPTON INN FL	
424	2/6/2018	14.17	UBER	
425	2/7/2018	31.67	UBER	
426	2/6/2018	28.14	O'MALLEY'S PUB VA	
427	2/6/2018	37.13	MATSUTAKE SUSHI D.C.	
428	2/8/2018	35.34	UBER	
429	2/9/2018	490.56	DOUBLETREE HOTEL VA	
430	2/8/2018	105.49	LEGAL SEA FOODS D.C.	
431	2/10/2018	178.82	HAMPTON INN MO	
432	2/10/2018	178.82	HAMPTON INN MO	
433	2/9/2018	9.00	DFW AIRPORT PARKING	
434	2/9/2018	490.56	DOUBLETREE HOTEL VA	
435	2/8/2018	217.82	HAMPTON INN & SUITES NC	
436	2/9/2018	490.56	DOUBLETREE HOTEL VA	
437	2/8/2018	217.82	HAMPTON INN & SUITES NC	
438	2/16/2018	52.01	GOGOAR	
439	2/22/2018	553.19	BW ISLAND HOTEL CA	
440	2/26/2018	20.83	UBER	
441	2/26/2018	108.70	BOARDWALK BILLY'S NC	

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3			Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		Personal, Non-Personal, or Undeterminable Procedure #5		Additional Comments	
Date	Amount	Vendor/Co												
3/6/2018	(939.06)	HILTON CAPITAL D.C.		N			N/A - Refund		Travel		Non-personal (Union-Related Business)		Refund support not obtained	
2/28/2018	79.93	FIREWATER CHARLOTTE N.C.		Y			Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"CLT BOD Conference" is noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.	
3/2/2018	123.51	FIRST IN FLIGHT CLT N.C.		Y			Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"CLT BOD Conference, Hotel JISC" is noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.	
3/1/2018	83.44	BAR LOUIENC		Y			Receipt		Meals & Entertainment		Non-personal (Union-Related Business)		"CLT BOD Conference" is noted on receipt. CJ noted several meals charged on the receipt indicating a large group. Individual names not required.	
3/3/2018	18.42	UBER		Y			Screenshot of Receipt		Travel		Non-personal (Union-Related Business)			
3/5/2018	939.06	HILTON CAPITAL D.C.		N			N/A - Refund		Travel		Non-personal (Union-Related Business)		REFUNDED ON 3/6/2018	
3/5/2018	11.82	OFFICE DEPOT EULESS		Y			Receipt		Other		Non-personal (Union-Related Business)		Related to file box for move of president's office	
			97,115.76											

**Exhibit B**

List of Reimbursements Made to Bob Ross for the Period of April 1, 2016 to October 31, 2016 and  
Relevant Testing Performed

Agreed-Upon Procedures - Bob Ross  
List of Reimbursement Checks Issued for the Period of April 1, 2016 to October 31, 2016 and Relevant Testing Performed

Summary of Findings	
Amount related to Airport Parking:	107.00
Unrelated to Airport Parking:	3,492.31
	3,599.31

Data from Monthly Miscellaneous Expense Report  
Procedure #6 & #12

Reimbursement Month	Expense Report Line Item	Amount	Check Number Procedure #6 & #12	Amount on Check/Remittance Advice Procedure #6 & #12	Difference Procedure #6 & #12	Classification of Reimbursement (Relocation, Rental Car, Mileage, Airport Parking, or Other) Procedure #6 & #12	Supporting Documentation Provided? (Y or N) Procedure #6 & #12	Testing Comments
April 2016	MEA at Residence	450.67	E09082	450.67		Other	Y	Calculated on Expense Report Agreed to Mileage Log Support showed bundled services and manually written \$50 allocated to internet.
	Mileage	82.92						
	Internet	138.76						
	Taxi/Public Transit	50.00						
	Meals/Tips	20.00						
May 2016	MEA at Residence	581.47	E09171	581.47		Other	Y	Calculated on Expense Report Agreed to Mileage Log Support showed bundled services and manually written \$50 allocated to internet.
	Mileage	152.71						
	Parking/Tolls	158.76						
	Internet	105.00						
	Taxi/Public Transit	50.00						
June 2016	MEA at Residence	370.14	E09292	370.14		Mileage	Y	Agreed to Mileage Log Agreed to receipt Support showed bundled services and manually written \$50 allocated to internet.
	Mileage	181.44						
	Parking/Tolls	2.00						
	Internet	50.00						
	Meals/Tips	136.70						
July 2016	MEA at Residence	338.90	E09411	338.90		Other	N	Calculated on Expense Report Agreed to Mileage Log Support showed bundled services and manually written \$50 allocated to internet.
	Mileage	130.14						
	Internet	158.76						
	Meals/Tips	50.00						
August 2016	MEA at Residence	1,380.17	E09457	1,380.17		Relocation	Y	Agreed to Mileage Log. Google Maps trip support. CJ recalculated trip and noted no material deviation in miles. See Exhibit C.
	Mileage - Other	936.90						
	Internet	68.04						
	Auto/Gas	50.00						
	Lodging	40.08						
September 2016	MEA at Residence	123.58	E09591	123.58		Other	Y	Receipt noted gas was for rental car. Hotel in Ross's former city of residence. Transcript from hearing shows this is where his spouse stayed the night before they began their drive for DPW from California. See Exhibit C.
	Mileage	156.72						
	Internet	76.62						
	Meals/Tips	11.88						
		68.22						
October 2016	MEA at Residence	321.24	E09632	321.24		Other	N	Calculated on Expense Report Agreed to Mileage Log Support showed bundled services, including internet with phone service added
	Mileage	157.41						
	Meals/Tips	9.72						
	Internet	79.88						
		74.23						

Note: The Monthly Miscellaneous Expense Report form serves as support for MEA at Residence. As we obtained all forms for this time period, all MEA expenses are deemed to have supporting documentation.



**Exhibit C**

List of Relocation Costs and Relevant Testing Performed

Agreed-Upon Procedures - Bob Ross  
List of Relocation Expenses and Relevant Testing

Summary of Findings			
	Amount	No. of Transactions	
Reasonable Business Expense:	10,669.69	5	
Personal Expenses:	54,194	4	
Undeterminable; Presumed Personal:	233.11	4	
	11,444.74	13	
			-

Source (Reimbursement or APFA Credit Card) Procedure #7	Date	Amount	Vendor/Co	Supporting Documentation Provided? (Y or N) Procedure #7	Documentation Description Procedure #7	Classification of Expense (Personal Expense, Reasonable Business Expense, or Undeterminable and Presumed Non-Business Expense) Procedure #7	Testing Comments
APFA Credit Card	7/23/2016	1,234.76	PODS 9100	Y	Receipt	Reasonable Business Expense	Cost of Pods to move personal affects from CA to TX would be considered a reasonable business expense.
APFA Credit Card	7/26/2016	6,858.40	PODS 9100	Y	Receipt	Reasonable Business Expense	Cost of Pods to move personal affects from CA to TX would be considered a reasonable business expense.
Reimbursement	8/1/2016	161.57	Staybridge Suites Sacramento, CA	Y	Folio Receipt	Personal Expense	Hotel in Ross's former city of residence. Transcript from hearing shows this is where his spouse stayed the night before they began their drive for DFW from California. Hotel for family members are not a reasonable business expense under IRS regulations and is not eligible for reimbursement under APFA policy manual.
APFA Credit Card	8/2/2016	1,259.70	PODS FL	Y	Receipt	Reasonable Business Expense	Cost of Pods to move personal affects from CA to TX would be considered a reasonable business expense.
APFA Credit Card	8/5/2016	379.93	PODS FL	Y	Receipt	Reasonable Business Expense	Cost of Pods to move personal affects from CA to TX would be considered a reasonable business expense.
APFA Credit Card	8/10/2016	142.70	PRICELINE - LA QUINTA AZ	Y	Reservation Confirmation	Personal Expense	Transcript from hearing shows that Ross's family stayed and he was not present. Hotel for family members are not a reasonable business expense under IRS regulations and is not eligible for reimbursement under APFA policy manual.
APFA Credit Card	8/9/2016	157.18	HOLIDAY INNS AZ	Y	Folio Receipt	Personal Expense	Transcript from hearing shows this is where Ross's family stayed and he was not present. Hotel for family members are not a reasonable business expense under IRS regulations and is not eligible for reimbursement under APFA policy manual.
APFA Credit Card	8/10/2016	80.49	FIFTH SEASON AMARILLO TX	N	N/A	Personal Expense	No documentation for expense was provided. However transcripts of hearing indicated this is related to a hotel where Ross's family stayed and he was not present. Hotel for family members are not a reasonable business expense under IRS regulations and is not eligible for reimbursement under APFA policy manual.
APFA Credit Card	8/20/2016	112.81	UHAUL MOVING GRAPEVINE	Y	Invoice	Undeterminable and Presumed Non-Business Expense	While we were able to review supporting documentation, we were unable to determine whether the cost of the rental and gas were truly for union business. Based on review of the hearing transcripts and arbitration decision, we determine that this cost would not have been incurred if furniture was not delivered to Ross's Southlake home.
Reimbursement	8/20/2016	19.19	Illegible on Receipt	Y	Receipt (vendor illegible)	Undeterminable and Presumed Non-Business Expense	While we were able to review supporting documentation, we were unable to determine whether the cost of the rental and gas were truly for union business. Based on review of the hearing transcripts and arbitration decision, we determine that this cost would not have been incurred if furniture was not delivered to Ross's Southlake home.
Reimbursement	8/21/2016	20.89	Illegible on Receipt	Y	Receipt (vendor illegible)	Undeterminable and Presumed Non-Business Expense	While we were able to review supporting documentation, we were unable to determine whether the cost of the rental and gas were truly for union business. Based on review of the hearing transcripts and arbitration decision, we determine that this cost would not have been incurred if furniture was not delivered to Ross's Southlake home.
APFA Credit Card	8/22/2016	80.22	UHAUL MOVING GRAPEVINE	Y	Invoice	Undeterminable and Presumed Non-Business Expense	While we were able to review supporting documentation, we were unable to determine whether the cost of the rental and gas were truly for union business. Based on review of the hearing transcripts and arbitration decision, we determine that this cost would not have been incurred if furniture was not delivered to Ross's Southlake home.
Mileage	8/21/2016	936.90	Standard Mileage Calculation	Y	Google Maps Calculation	Reasonable Business Expense	We independently verified the miles to drive from 4701 Haydel Ct, El Dorado Hills, CA to 2405 Johnson Rd, Southlake, TX using Google Maps. We noted the trip totaled 1,723 miles. Ross claimed 1,735 miles on his expense report related to this trip. The APFA Manual allows for reimbursement using the standard mileage rate. While hearing transcripts indicated that Ross did not drive the vehicle from California, the driver is not relevant.
		11,444.74					

**Exhibit D**

Relevant Testing of Rental Car Agreements

Agreed-Upon Procedures - Bob Ross  
Testing of Rental Car Agreements

Data from Enterprise Monthly Statements - Procedures #8 - #9							Rental Agreement Reviewed Procedures #8 - #9	Other Documentation Provided (Y or N) Procedures #8 - #9	Documentation Notes Procedures #8 - #9	Union Related? (Y or N) Procedures #8 - #9
Statement Date	Statement Number	Rental Agreement #	Rental Dates	Amount						
5/31/2016	4257	3ZTF9F	3/28/2016 - 4/29/2016	997.26			(a)	N	N/A	(b)
7/31/2016	4369	49S2HJ	5/2/2016 - 7/18/2016	2,439.67			(a)	Y	Purchase Order P-5-1434 dated 5/2/2016 authorized a rental car for May and June 2016 at a pre-tax rate of \$799.99 per month. PO indicates rental car is for Bob Ross and was both request and signed by Bob Ross. CJ also reviewed an email from the EA to the NP detailing that Bob Ross's rental car was extended through 7/29.	(b)
8/31/2016	4427	56DYJM	8/1/2016 - 8/3/2016	89.65			(a)	N	N/A	(b)
9/30/2016	4483	5GR7L1	8/29/2016 - 9/1/2016	224.18			(a)	N	N/A	(b)
10/31/2016	4540	56338X	8/1/2016 - 9/30/2016	1,784.34			(a)	N	N/A	(b)
10/31/2016	4540	5SHF30	9/30/2016 - 10/27/2016	919.28			(a)	N	N/A	(b)
				<b>Total:</b>	6,454.38					

Tickmark Legend:

- (a) CJ noted that rental agreements were not maintained, PDW, Erik Harris, Treasurer, he reached out to Enterprise and could not obtain the agreements.
- (b) CJ noted that based of the support PBC, we were unable to determine if the car rental agreements listed was for union-related business.

**Exhibit E**

Mileage Reimbursement and Relevant Testing

Agreed-Upon Procedures – Bob Ross  
Mileage Reimbursement

Summary of Findings	
Related to Sacramento Airport:	725.76
Unrelated to Sacramento Airport:	958.50
	<u>1,684.26</u>

Obtained from Monthly Miscellaneous Expense Reports and Check Stub Procedure #10						Obtained from Mileage Log Procedure #11			
Reimbursement Month	Disbursement Date	Amount Distributed	Invoice #	Electronic Check #	Related to Sacramento Airport	Total Miles Claimed	Mileage Rate	Total Reimbursement for Miles	
Apr-16	5/5/2016	158.76	FA77196	E09082	Y	294	0.54	158.76	
May-16	6/3/2016	158.76	FA680164	E09171	Y	294	0.54	158.76	
Jun-16	7/11/2016	181.44	FA220920	E09292	Y	336	0.54	181.44	
Jul-16	8/18/2016	158.76	FA909774	E09411	Y	294	0.54	158.76	
Aug-16	9/6/2016	68.04	FA151733	E09457	Y	126	0.54	68.04	
Aug-16	9/6/2016	936.90	FA151733	E09457	N	1,735	0.54	936.90	
Sep-16	10/20/2016	11.88	FA39351	E09591	N	22	0.54	11.88	
Oct-16	11/3/2016	9.72	FA763502	E09632	N	18	0.54	9.72	
		1,684.26							



**Exhibit F**

Cornwell Jackson Invoices for the Performance of Agreed-Upon Procedures



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 30431  
Date: 5/31/2022

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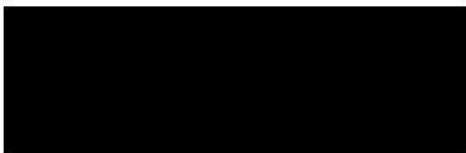
**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

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Fees related to the agreed-upon procedures for ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS:

AUP Fees - Ross \$150.00

**PAYMENT METHOD**



[By Bill.com](#)

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com

[By e-check or credit card](#)

www.cornwelljackson.com

**By Check:**

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00

Invoice Due Upon Receipt

APPX. 0278



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 30708  
Date: 6/30/2022




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**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

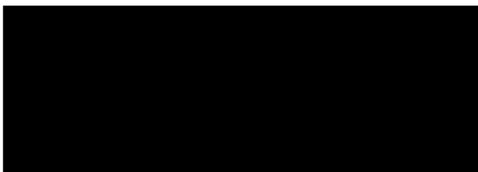
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Fees related to the agreed-upon procedures engagement related to Bob Ross

Agreed-upon procedure fees \$3,325.00

Invoice Total: \$3,325.00

**PAYMENT METHOD**



[By Bill.com](#)

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com



[By e-check or credit card](#)

[www.cornwelljackson.com](http://www.cornwelljackson.com)

[By Check:](#)

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$6,625.00	\$300.00	\$0.00	\$0.00	\$0.00	\$6,925.00

Invoice Due Upon Receipt

APPX. 0279



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 31070  
Date: 7/31/2022

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**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

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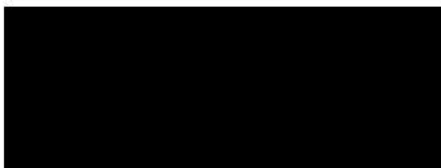
Fees related to the agreed-upon procedures engagement related to Bob Ross

Agreed-upon procedure fees \$11,000.00

Reimbursable expenses \$21.06

Invoice Total: \$11,021.06

**PAYMENT METHOD**



[By Bill.com](#)

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com

[By e-check or credit card](#)

www.cornwelljackson.com

[By Check:](#)

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$11,021.06	\$0.00	\$0.00	\$0.00	\$0.00	\$11,021.06

Invoice Due Upon Receipt

APPX. 0280



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 31073  
Date: 8/5/2022

[REDACTED]

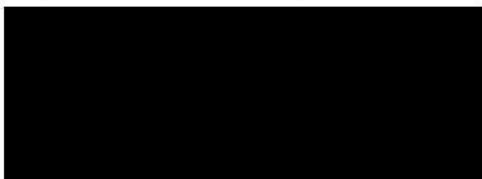
**FINAL BILL - Fees listed below may only reflect a portion of the total engagement fee. However, this is the final bill for these services.**

Fees related to the agreed-upon procedures engagement related to Bob Ross

Agreed-upon procedure fees \$350.00

Invoice Total: \$350.00

**PAYMENT METHOD**



[By Bill.com](#)

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com



[By e-check or credit card](#)

[www.cornwelljackson.com](http://www.cornwelljackson.com)

[By Check:](#)

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$350.00

Invoice Due Upon Receipt

APPX. 0281

**In the Matter of Arbitration Between**

**Melissa Chinery**

**Sandra Lee**

**APFA Charging Party Members  
(Plaintiff)**

**And**

**Robert Ross, Former APFA National  
President**

**APFA Charged Party Member  
(Defendant)**

**RE: Article VII Charges  
Violations of APFA Constitution  
and APFA Policy Manual**

**SUPPLEMENTAL DECISION AND REMEDY MODIFICATION**

**Before:**

**Alternate Article VII Arbitrator Ruben R.  
Armendariz**

**Place and Dates of Hearing:**

**The Westin Irving Convention Center at Las  
Colinas, 400 West Las Colinas Boulevard,  
located in the City of Irving, Texas.**

**June 16, 2021, continued to November 17 and 18,  
2021**

**Appearances:**

**For Charging Party Members:  
(Plaintiff's)**

**Melissa Chinery, Representative  
Sandra Lee, Representative**

**For Charged Party Member:  
(Defendant)**

**Kit Gomez Alba, Representative  
Gina Guidry, Representative  
Robert Ross, Representative**



On the 19<sup>th</sup> day of March 2022, the undersigned arbitrator issued a Decision in the above matter. In the original Remedy, the undersigned arbitrator requested APFA to hire a forensic auditor to audit certain items of this case to identify all inappropriate charges listed in item 1., 1(a.), 1(b.), 1(c.), and 1(d.) concerning Defendant Ross.

In accordance with the original remedy, the APFA hired Cornwell Jackson, Certified Public Accountants to conduct the requested audits. On August 5, 2022, the Independent Accountant's Audit Report was completed and submitted to the APFA. This report was subsequently transmitted to this arbitrator to review and to issue a "Supplemental Decision and Remedy Modification."

The arbitrator has reviewed the Independent Accountant's Audit Report and finds Defendant Ross has violated certain identified items. Thus, the March 19, 2022 Original Remedy is hereby modified to reflect the Auditors' identified items. Accordingly, the arbitrator finds those monetary amounts found inappropriate are now subject for repayment to APFA. Additionally, the Auditors invoices for services rendered shall be included for repayment.

### **REMEDY MODIFICATION**

It is hereby Ordered that Defendant Ross shall repay the APFA the following amounts the auditors identified as inappropriate. The accountant's Audit Report is a thorough explanation of the auditor's findings and those amounts found inappropriate.<sup>1</sup>

1(a): Inappropriate costs claimed as moving expenses.	\$. 775.05
1(b): Inappropriate credit card charges for meals and personal items.	12, 274.00
1(c): Inappropriate costs related to rental cars.	6, 454.38
1(d): Inappropriate costs related to mileage to Sacramento airport.	725.76
1(d): Inappropriate costs related to airport parking.	<u>107.00</u>
	<b><u>\$ 20,336.19</u></b>

**Auditors Invoices:**


05/31/2022	\$ 150.00
06/30/2022	3,325.00
07/31/2022	11,000.00
08/05/2022	<u>350.00</u>
<b>Total</b>	<b><u>\$ 14,825.00</u></b>

2. Ross is hereby Ordered to immediately repay the APFA **\$5,436.47** per the finding of the APFA Board of Directors. An independent accounting firm determined the formula used to determine the daily rate assessed for sick and vacation payout was incorrect.
3. Ross is hereby Ordered to repay the APFA **\$8,106.13** for leasing an apartment at the Bear Creek Complex where he had no intention of occupying.
4. Ross is hereby fined and Ordered to repay the APFA for all of the Arbitrator's Fee of **\$10, 217.96** for this arbitration.
5. Ross is hereby Ordered to repay **\$3,637.00** to the APFA for all of the furniture he had purchased and delivered to his residence located in South Lake, Texas.

<sup>1</sup> Mr. Ross can request a copy of the auditor's report from the APFA if he has not already received a copy of it.

6. Ross is prohibited from serving in any official position within the APFA organization that is set forth and included in the APFA Constitution and Policy Manual that is covered or identified. If Ross currently holds any official position presently, he is to resign said position. This is to bar Ross from any official position for life other than that of member.
7. The APFA if it hasn't done so, must create a separate body of trained forensic accountants to oversee the annual audit and to create procedures and recommendations to preclude fraud for the BOD's review and action to be included within the Policy Manual. National Officers or Officers who have the authority to extend APFA to credit or use of an APFA credit card must be held economically responsible. The language created must be very clear and unambiguous. Training over the LMRDA must be a requirement for all National Officers or any person who can extend APFA to credit and whom is given an APFA credit card. These individuals must sign a document declaring and attesting that they have read and understand their responsibilities in using an APFA credit card or extending credit to the APFA for rental cars, apartments, etc., and that negligence will not be tolerated and will be dealt with severe penalties.
8. The arbitrator shall retain jurisdiction over any issue involving this remedy for only 90 days from the date of this Supplemental Decision and Remedy Modification.

**Issued the 24<sup>th</sup> day of August, 2022, in San Antonio, Texas.**

  
Ruben R. Armendariz, Arbitrator

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IN THE MATTER OF THE ARBITRATION BETWEEN  
MELISSA CHINERY, Member ) BEFORE THE ARTICLE VII  
And )  
SANDRA LEE, Member )  
 ) ARBITRATOR  
AND )  
 )  
EUGENIO VARGAS, Member ) HON. RUBEN R. ARMENDARIZ

\*\*\*\*\*

SEPTEMBER 14, 2021  
VOLUME 1

\*\*\*\*\*

BE IT REMEMBERED that on the 14th day of  
September, 2021, the above cause came on for hearing  
before HON. RUBEN R. ARMENDARIZ at the WESTIN IRVING  
CONVENTION CENTER AT LAS COLINAS, 400 West Las Colinas  
Boulevard, located in the City of Irving, County of  
Dallas, State of Texas, whereupon the following  
proceedings were had.

A P P E A R A N C E S :

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmail.com

APPEARING AS THE ARBITRATOR

MS. MELISSA CHINERY  
EMAIL: Melchinery@aol.com

AND

MS. SANDRA LEE  
EMAIL: SEL27995@gmail.com

AND

MS. HEATHER OLENJACK

APPEARING FOR THE CHARGING PARTIES

MS. HEIDI J. MORGAN  
EMAIL: heidimorgan65@gmail.com

AND

MS. NENA MARTIN

APPEARING FOR THE CHARGED PARTY, EUGENIO VARGAS

\* \* \* \*

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P R O C E E D I N G S

THE ARBITRATOR: This is -- this is an  
Article VII 2.A arbitration of the APFA Constitution.  
Today's date is September 14th, 2021. The Arbitrator  
appearing before you is Ruben R. Armendariz.

Will the parties please state their  
appearance for the record?

MS. CHINERY: Melissa Chinery.

THE ARBITRATOR: And?

MS. OLENJACK: Heather Olenjack.

THE ARBITRATOR: Okay.

THE REPORTER: Say again?

MS. OLENJACK: Heather Olenjack.

THE REPORTER: Thank you.

MS. OLENJACK: O-L-E-N-J-A-C-K.

THE ARBITRATOR: And?

MS. LEE: Sandra Lee.

THE ARBITRATOR: Okay. And for Mr.  
Vargas?

MS. MARTIN: Nena Martin.

THE ARBITRATOR: Okay. And?

MS. MORGAN: Heidi Morgan.

THE ARBITRATOR: And you are, sir?

MR. VARGAS: Eugenio Vargas.

THE ARBITRATOR: You're the -- oh, you're

1 Mr. Vargas, okay. Okay. You've both provided a  
2 witness list. Are there -- usually I ask are there any  
3 procedural, you know, arguments, but in this case this  
4 is kind of a different type of case than -- than I'm  
5 used to hearing, you know, so this is -- anyway, the  
6 issue, how do you define the issue in this case?

7 MS. CHINERY: Fraud, malfeasance.

8 THE ARBITRATOR: Malfeasance?

9 MS. CHINERY: Uh-huh.

10 THE ARBITRATOR: So you want to -- what  
11 time period are you going to use?

12 MS. CHINERY: Excuse me?

13 THE ARBITRATOR: Time period.

14 MS. CHINERY: Time period would be 2016  
15 to 2018.

16 THE ARBITRATOR: Okay. So we can say --  
17 let me -- let me see if you agree with it. Did Eugenio  
18 Vargas engage in fraud.

19 MS. CHINERY: Misappropriation.

20 THE ARBITRATOR: Misappropriation?

21 MS. CHINERY: Yes.

22 THE ARBITRATOR: That's a better word.  
23 Misappropriation of APFA funds, right?

24 MS. CHINERY: Funds, yes.

25 THE ARBITRATOR: Okay. If so, what is

1 the appropriate remedy.

2 MS. CHINERY: Well, we would like an  
3 audit of their administration. We would like pay back  
4 of all monies. We'd like it disclosed that the --

5 THE ARBITRATOR: Okay. We can get into  
6 that in more detail. But the main thing for the issue  
7 statement, we want to say, if so, what is the  
8 appropriate remedy, you can tell us what it is, we'll  
9 get it on the record in a couple of minutes, okay?

10 MS. CHINERY: Okay.

11 THE ARBITRATOR: Okay. Ms. Morgan, do  
12 you agree with this issue statement?

13 MS. MORGAN: Do I agree with that?

14 THE ARBITRATOR: Yes.

15 MS. MORGAN: No.

16 THE ARBITRATOR: You don't agree with  
17 it. How would you define it? They're -- they're  
18 trying to show that Mr. Vargas engaged in misconduct,  
19 this misconduct, okay, and your position is no, he  
20 didn't, okay?

21 MS. MORGAN: Okay.

22 THE ARBITRATOR: So this is the issue  
23 statement.

24 MS. MORGAN: Right.

25 THE ARBITRATOR: Did Eugenio Vargas

1 engage in misappropriation of APFA funds. Okay. And  
2 if so, what is the appropriate remedy. So you're going  
3 to argue that he did not. Okay. So you agree with  
4 this statement?

5 MS. MORGAN: No. Our position is that  
6 Ms. Chinery and Ms. Lee are engaging in a pattern of  
7 harassment. They have a historical practice of  
8 harassing people with whom they do not politically  
9 agree. They have targeted the administration in which  
10 Mr. Vargas worked.

11 THE ARBITRATOR: Okay. We'll get to  
12 that. Will -- that will be your opening, okay?

13 MS. MORGAN: Okay.

14 THE ARBITRATOR: But as far as the issue  
15 statement, I think we'll go ahead and use that.

16 MS. MORGAN: Okay.

17 THE ARBITRATOR: Okay. Let's go to  
18 openings. Ms. Chinery?

19 MS. CHINERY: Never done one before. We  
20 are here today to hear charges based on the APFA  
21 Constitution and policy manual that --

22 THE REPORTER: Slow down. When you're  
23 reading, you --

24 MS. CHINERY: Okay.

25 THE REPORTER: -- everybody reads --

1 MS. CHINERY: Okay.

2 THE REPORTER: -- fast. I have to write  
3 it down.

4 MS. CHINERY: Gotcha.

5 THE ARBITRATOR: Can you hear them? Can  
6 you hear them?

7 THE REPORTER: Somewhat.

8 THE ARBITRATOR: Somewhat? You want  
9 them -- you want to move them closer?

10 THE REPORTER: No, just speak up --

11 MS. CHINERY: Okay.

12 THE REPORTER: -- a little bit.

13 MS. CHINERY: We are here today to hear  
14 charges based on the APFA Constitution and policy  
15 manual that Eugenio -- Eugenio Vargas violated.  
16 Getting to this point was not an easy process.

17 Sandra Lee and myself are Flight  
18 Attendants currently based in Los Angeles. Neither of  
19 us hold Union office nor do we ever -- or have we ever  
20 held a Union position with APFA, but we are dues paying  
21 members and we care about how our dues money is spent  
22 and how our Union functions.

23 Is that slow enough? Good.

24 We first attempted to see the Union  
25 finances back in 2018 when we wanted to check on

1 mileage of a couple of -- two Base Presidents, but we  
2 were also concerned about disturbing reports of  
3 missing -- missing, unaccounted furniture, which  
4 actually ended up resulting in funds being paid back by  
5 one of them to APFA.

6 Little did we know what we were getting  
7 in to. What followed was a two year battle to see  
8 financial information. The APFA Constitution is  
9 crystal clear. Section -- sorry. Excuse me, like I  
10 said, I've never done -- Article IV says the -- says  
11 members have a right to see financial information.  
12 Federal labor law also provides members can see the  
13 books for cause, but we were stonewalled. When we --  
14 when we were finally allowed to see the financials,  
15 they only gave us summaries of the next -- of the next  
16 administration.

17 It was not until the administration --  
18 the next administration of Julie Hedrick that we were  
19 finally allowed to see the Union finances. We made up  
20 multiple trips to DFW to see the books and the  
21 underlying receipts. It was not easy sorting out, as  
22 the documents inherited by the new Treasurer, Mr.  
23 Harris, were a mess, piles of receipts, missing  
24 documents, etcetera. But what we found was really  
25 disturbing.



1 Eugenio Vargas was National Treasurer  
2 between April of 2016 through July of 2018. His fellow  
3 National Officers were President, Bob Ross; Vice  
4 President, Nena Martin; and Secretary, Marcy Dunaway,  
5 who has subsequently took a -- a company position.

6 This case involves Mr. Vargas and we have a separate  
7 arbitration scheduled for charges against Ms. Martin  
8 and Mr. Ross.

9 We will present evidence at this hearing  
10 substantiating multiple violations of the policy manual  
11 on a number of distinct charges. I'm going to walk you  
12 through each charge in order. The first charge  
13 involves violation of the meal expense provisions of  
14 the bylaws. The APFA Constitution, excuse me,  
15 violates -- allows National Officers to claim what is  
16 called guaranteed meal expense allowance, which is  
17 shortened to -- to be called guaranteed MEA. This is a  
18 daily rate for meals with maximum of \$300 a month.  
19 National Officers receive guaranteed MEA even though  
20 they are considered to live in the city of the national  
21 office, which is DFW -- Dallas, excuse me.

22 Now, the bylaws explicitly states  
23 guaranteed MEA is in -- in lieu of actual expenses,  
24 which is called actual MEA. The language is clear.  
25 You do not get to claim both of the guaranteed MEA and

1 the actual MEA. Doing so is double-dipping.

2 We will present testimony from a long  
3 standing APFA National Treasurer and retired Flight  
4 Attendant about the policy. There's a narrow exception  
5 for which is hosting individuals outside the  
6 organization. The record will show that the accused  
7 routinely violated this policy, pocketing the  
8 guaranteed MEA allowance while routinely billing meals  
9 to the Union paid for with the Union credit card.

10 We have clear -- we have clear evidence  
11 in the form of the credit card statements and receipts  
12 that show that the four National Officers, while  
13 receiving guaranteed MEA, also routinely purchased  
14 meals on the Union credit card. They ordered in  
15 breakfast for department chairs who were also receiving  
16 meal expenses, guaranteed MEA, and purchased meals on  
17 the Union credit card while they were receiving per  
18 diem.

19 Now, these examples of double-dipping  
20 were not simply occasional lapses, but flagrant  
21 violations of the policy manual which amounted to tens  
22 of thousands of dollars in meals. It was truly a  
23 feeding frenzy. They did not adjust their guaranteed  
24 meal to reflect the meals purchased with the Union  
25 credit card.

1           One of the things guilty people like to  
2 say is everyone else is doing it. But the Constitution  
3 explicitly states that the ignorance of the -- of the  
4 provisions is not a defense. And the fact that others  
5 may have -- may or may have not violated the Union's  
6 bylaws and procedures does not absolve the accused of  
7 responsibility for their misconduct.

8           The second set of charges is especially  
9 troublesome. The National Treasurer is entrusted with  
10 safeguarding the Union funds and property. Among those  
11 responsibility (sic) is maintaining an inventory for  
12 the Union furniture. APFA Officers are required to  
13 move to Dallas-Fort Worth upon summing -- assuming  
14 office. They are given a choice of electing a paid  
15 move to Dallas or a Union furnished apartment. Other  
16 Union representatives such as the department chairs --

17           THE REPORTER: Slow down, please.

18           MS. CHINERY: -- sorry -- who -- who also  
19 here full time -- who are also here full time are also  
20 provided furnished Union apartments.

21           Now, keeping track of the Union inventory  
22 is obviously an important task and there are detailed  
23 provisions in the bylaws explaining how furniture is to  
24 be inventoried and subsequently disposed of. This --  
25 the policy in place at 2016 provided that the furniture

1 should be normally used by the incoming Officer subject  
2 to the right of reasonable refusal. Furniture which  
3 was not utilized was to be sold in a silent auction,  
4 giving Flight Attendants and staff who worked in the  
5 national office an equal chance to buy the furniture.  
6 Too fast.

7 THE REPORTER: I'm only certified for 225  
8 words a minute.

9 MS. CHINERY: Sorry. That process of  
10 silent auction did not happen under Vargas' tenure as  
11 Treasurer. When we were talk -- and we -- when we are  
12 talking about furniture, we're not talking about some  
13 cheap furniture. The furniture just in the apartments  
14 of the National Officers the three years earlier was  
15 valued in tens of thousands of dollars. So when policy  
16 was not followed, there was understandably a lot of  
17 concern among the members working at the APFA office  
18 and among the broader membership.

19 The question was what happened to this  
20 furniture. One of the difficulties in answering this  
21 question was that most of the documents related to the  
22 furniture disappeared. And Mr. Harris will testify  
23 that -- Mr. Harris, the National Treasurer, will  
24 testify that there are no longer -- they were -- they  
25 are no longer in custody of the Union. This is in

1 further violation of Union bylaws which requires  
2 Officers to keep complete and accurate financial  
3 records of Union businesses -- business.

4 Although many important documents are  
5 missing from the Union files, the record will show that  
6 some of these lost or stolen records are in the  
7 possession of the charged party. The administrate --  
8 administration prior to Vargas was Laura Glading  
9 administration. The evidence will show that the  
10 National Officers under Laura Glading purchased tens of  
11 thousands of dollars in furniture. Per the policy  
12 manual and the furniture -- for the furniture is  
13 supposed to be normally reused, but if not, the policy  
14 in place prior to October 16th stated it be sold in  
15 silent auction.

16 We now know what happened to some of the  
17 furniture. Mr. Vargas was -- who was responsible for  
18 safeguarding Union property took the furniture for his  
19 use in his own residence. Mr. Vargas opted to move to  
20 Dallas and get his own apartment. He was reimbursed  
21 for his moving expenses, as such was not entitled to  
22 the furnishings. In question was the furniture of Mr.  
23 Greg Gunter, Vargas' predecessor who unfortunately died  
24 just before this term of office ended.

25 The original cost of the furniture for

1 the two bedroom apartment was around \$17,000. After  
2 Mr. Gunter died in April -- excuse me, March of 2016,  
3 the furniture temper -- temporarily was moved to  
4 APFA -- F -- APFA offices. We will demonstrate that in  
5 May furniture was moved to Mr. Vargas' private  
6 residence, spending Union money to make that move.  
7 The rest of the furniture disappeared from the office  
8 during the -- that -- that time frame. There was not a  
9 silent auction and no opportunity for anyone to bid on  
10 the furniture.

11 When members began to raise questions in  
12 September 2016, Vargas lied to cover his tracks. The  
13 record will show he told APFA executive committee that  
14 he would sell the furniture in a silent bid on  
15 September the 9th, concealing the fact that he'd  
16 already taken the furniture. Two weeks later he told  
17 Heather Olenjack, a member investigating Union  
18 finances, that he had bought the furniture.

19 On September 29th with questions  
20 mounting, Mr. Vargas paid pennies on the dollars for  
21 the furniture, which he had already taken months prior.  
22 The furniture that Vargas took was valued around  
23 \$17,000. Even after being caught, he did not pay a  
24 fair market value for the four-year-old furniture, but  
25 paid it on a depreciated value using a date in June



1 which had -- which had the furniture almost depreciated  
2 to zero. In Mr. Vargas' case only \$219 of the  
3 furniture originally worked. Then after the fact at  
4 the Board meeting on October 6th, Vargas changed the  
5 policy to have furniture sold at fair market value.

6 So to recap, we will show Vargas had no  
7 right to the furniture. The record will show that  
8 Vargas took the -- took the furniture in May without  
9 paying for it, he lied about having the furniture, that  
10 he paid pennies on the dollars, not fair market value  
11 for the furniture and through this all he committed the  
12 violation of self-dealing. As the APFA Treasurer who  
13 had the obligation to safeguard Union property, he  
14 conducted illegal transaction with himself.

15 But it was not just Mr. Vargas' furniture  
16 which disappeared. Marcus Gluth was Vice President of  
17 APFA and temper -- temporarily present -- President  
18 after Laura Glading had stepped down. His furniture  
19 was worth thousands of dollars. We will show that some  
20 of that furniture was taken to Bob Ross' house who,  
21 like Mr. Vargas, had no right to the furniture. Other  
22 furniture was missing as well, including Laura  
23 Glading's. They had to store the furniture in APFA  
24 offices because the storage units were full, but it  
25 disappeared.

1 One of the difficulties of sorting this  
2 out is that entire sets of records relating to Mr.  
3 Vargas and the furniture are missing from APFA. We  
4 will demonstrate as National Treasurer Mr. Vargas was  
5 responsible for maintaining the records of the Union.  
6 The record will show that this improper documentation  
7 was a problem throughout Mr. Vargas' tenure as  
8 Treasurer.

9 The record will show that Mr. Vargas was  
10 repeatedly forced to pay back money, thousands of  
11 dollars for violating the policy manual. The record  
12 will show that Vargas changed the long standing formula  
13 on vacation payout for himself and his fellow Officers  
14 in violation of APFA bylaws and policies. The record  
15 will also show that the Board of Directors forced  
16 Vargas to pay it back. The record will show, however,  
17 that Vargas failed to get Bob Ross to pay it back. He  
18 used the Union credit card to rent a car on vacation  
19 and had to pay that back.

20 The case of the charging party is based  
21 on testimony of multiple witnesses and dozens of page  
22 of doc -- documents. The charged parties have a choice  
23 in this hearing. They can address these concrete  
24 allegations to attempt to refute them or they can  
25 attempt to confuse the issue, pointing fingers at

1 others. Personal attacks and accounts of things put  
2 battles and have no place in an arbitration hearing.  
3 Nor, frankly, does endless discussion of what happened  
4 in other administrations, including those that followed  
5 the term of Mr. Vargas.

6 Mr. Arbitrator, APFA has no parent body  
7 to oversee the finances of -- of the Union, especially  
8 when the conduct involves National Arbitrators --  
9 National Officers, I'm sorry. This is a -- this --  
10 this is the process set up where ordinary members can  
11 hold Union officials accountable. You are entrusted as  
12 the ultimate safeguard of our Constitution and our dues  
13 dollars. We look forward to presenting our evidence in  
14 a professional manner and we are confident that the --  
15 that the evidence will show serious violations of the  
16 APFA Constitution and bylaws.

17 Mr. Vargas' behavior was systematic  
18 self-dealing on many fronts. Thank you.

19 THE ARBITRATOR: Okay. For the charged  
20 party?

21 MS. MORGAN: May I ask a question first?

22 THE ARBITRATOR: Yes, go ahead.

23 MS. MORGAN: You -- you said in our  
24 phone conversation that witnesses would be sequestered.

25 THE ARBITRATOR: Yes.

1 MS. MORGAN: Yes.

2 THE ARBITRATOR: Okay. Joint Exhibit 2,  
3 what do you recommend? Do you have any other Joint  
4 Exhibits?

5 MS. CHINERY: No.

6 MS. MORGAN: Constitution?

7 THE ARBITRATOR: The Constitution is  
8 already part of Joint 1, okay? Okay. So we only have  
9 one Joint Exhibit. Okay. Now we're to the first  
10 witness, Ms. Lukensmeyer.

11 MS. CHINERY: The policy manual and  
12 Constitution.

13 THE ARBITRATOR: We've all -- you've  
14 already been sworn under oath, right? Okay. Go ahead  
15 and proceed.

16 CATHY LUKENSMEYER,  
17 having been first duly sworn, testified as follows:

18 DIRECT EXAMINATION

19 BY MS. CHINERY:

20 Q. What is your name, please?

21 A. Cathy Lukensmeyer.

22 Q. Can you state your name -- spell your name for  
23 the record, please?

24 A. Oh, Cathy with a C, C-A-T-H-Y, Lukensmeyer,  
25 L-U-K-E-N-S-M-E-Y-E-R.

1 Q. Are you working or retired?

2 A. Retired.

3 Q. Where were you employed?

4 A. American Airlines IOR.

5 Q. And what is -- what was your position?

6 A. Flight Attendant.

7 Q. How long have you -- were you employed with  
8 them?

9 A. 30 years.

10 Q. Okay. Did you hold any positions with the  
11 APFA during your career?

12 A. I did. Council -- this was all in Chicago,  
13 council rep, Vice Chair, chairperson, negotiations in  
14 1986, and Treasurer from 2004 to 2008.

15 Q. How long were you Treasurer?

16 A. Four years.

17 Q. Did you receive training as a Treasurer?

18 A. We had a transition month. Wasn't much  
19 training.

20 Q. And as former Treasurer, are you familiar with  
21 the APFA Constitution as written?

22 A. Yes.

23 Q. As it relates to financial matters and the  
24 role of the Treasurer?

25 A. Yes.

1 Q. Are you familiar with the APFA policy manual?

2 A. Yes.

3 Q. What is the policy manual?

4 A. The policy manual dictates the day to day  
5 operations of the Union. It's what you can do, what  
6 you can't do. The financial, what money you can have,  
7 what you can't have. Your service to the Union. It  
8 dictates -- if you have a question about what you can  
9 or can't do, you go to the policy manual.

10 Q. Who approves the policy manual?

11 A. The Board, Board of Directors.

12 Q. And the Board is the --

13 A. All Base Chairs. Actually, the Officers, I  
14 believe, don't vote, but the President's a tie breaker.

15 Q. We're going to start with the Constitution.  
16 I'm going to ask you to point to Article II, Section 2,  
17 ignorance is not an excuse.

18 A. Article II?

19 Q. Section 2, ignorance is not an excuse.

20 A. Oh, got it. Okay. Ignorance of the  
21 Constitution will not be --

22 Q. Okay.

23 A. -- considered a proper excuse.

24 Q. What is your understanding of this -- for that  
25 provision?



1 A. You cannot come and claim I didn't know. I  
2 couldn't do whatever because your job is to be familiar  
3 with the Constitution and the policy manual.

4 Q. Okay. Article II, 3B?

5 A. 3D?

6 Q. 3B.

7 A. Yes.

8 Q. Right to access all financial info?

9 A. Yes.

10 Q. What is your understanding of this provision?

11 A. The members had a right to review any of the  
12 finances of the Union and they would contact the  
13 Treasurer's office and make -- make an appointment.

14 Q. Okay.

15 A. And they were entitled to review everything.

16 Q. Why is it important?

17 A. Transparency.

18 Q. Can you explain the duties of the National  
19 Treasurer?

20 A. Yeah. In -- in a Union, the National  
21 Treasurer is like the business manager. They take care  
22 of the office, the staff, all of the assets of the  
23 Union. They inventory that. They're in charge of  
24 expense reports and monitoring expense reports,  
25 questioning expense reports if they need to. They did

1 the governmental filings. We sent out a -- monthly  
2 financials to the Board.

3 Q. Okay. And does this include making sure all  
4 meals are properly receipted and taken into accordance  
5 with the policy manual?

6 A. Yes, that's part of the expense reports.

7 Q. How -- to your understanding, how long did  
8 APFA maintain financial records? How long did they  
9 main -- maintain --

10 A. Oh, how long did they keep them? My  
11 experience was we -- when I was there, we always kept  
12 them because they would go, I don't know, year end to  
13 the archives. And then when the archives got full,  
14 they'd go to University of Texas or UNT, some -- one of  
15 the colleges, but we -- we archived.

16 Q. Can you point your attention to Article III,  
17 L, please?

18 A. Okay. Got it.

19 Q. Can you please explain that?

20 A. Jurisdiction and duties. Oh, okay. So this  
21 is for the Board. Actually the Board did everything  
22 for the AP -- they set policy, they set committees.  
23 They nominated. They -- the Board would receive, I'm  
24 not sure if it's right here, financials every month  
25 that they were to review and -- and be on top of.

1 Sometimes we'd have dues forgiveness, hardship, things  
2 like that. That's all controlled by the Board.

3 Q. Okay. So who can modify the policy manual?

4 A. The Board.

5 Q. Okay. And is it true of expenses and  
6 compensation policy, who sets those?

7 A. The Board.

8 Q. I'm now going to point your attention to the  
9 policy manual, which is Joint Exhibit 2. Are you  
10 familiar with the policy manual?

11 A. Yes.

12 Q. Okay. Is the policy manual binding on  
13 National Officers?

14 A. Yes.

15 Q. So now let's talk about meal expenses. Are  
16 you familiar with how meal expenses are handled per  
17 policy?

18 A. Yes.

19 Q. Okay. I'm going to point your attention to 5F  
20 of the policy manual.

21 A. 5F?

22 THE ARBITRATOR: Excuse me, I don't have  
23 the policy manual.

24 MS. CHINERY: Excuse me, I'm sorry?

25 THE ARBITRATOR: The policy manual, where

1 is it?

2 MS. CHINERY: We can --

3 THE ARBITRATOR: Where is it? I don't  
4 have the policy manual. I have the Constitution.  
5 Okay. Great. Thank you. We're on Article III; is  
6 that right? Where are we at?

7 MS. CHINERY: It's 5F.

8 THE ARBITRATOR: 5F.

9 MS. CHINERY: Section 5.

10 THE ARBITRATOR: Okay. Go ahead. Okay.  
11 Go ahead.

12 MS. CHINERY: It's page 5.12, I'm  
13 sorry.

14 Q. (BY MS. CHINERY) Are you familiar with the  
15 provisions on MEA and per diem?

16 A. Yes.

17 Q. Could you explain these provisions generally,  
18 please?

19 A. Okay. Generally the MEA comes into the policy  
20 manual because when you do work for the Union, we want  
21 to ensure that you don't lose money. So you're not  
22 getting that position to make money, but you want to  
23 guarantee that you're made whole. So the Flight  
24 Attendants would receive an expense, a per diem and an  
25 MEA so the Officers, the people on full time removal,

1 would lose out on that source of income. So they -- it  
2 started to include MEA, which is your meal expense and  
3 it reflected what the Flight Attendants got.

4 Q. So can you explain what actual MEA is?

5 A. Well, the actual MEA is you had actual and you  
6 had guaranteed. So the actual would be your actual  
7 costs up to a certain point as defined in the policy  
8 manual how much you would get. But you could be -- and  
9 this is for people who -- that the per diem is for in  
10 the MEA is for away from base, the per diem's away from  
11 base. The Officers got a guaranteed MEA because we  
12 weren't out flying. So that was what would make us  
13 whole.

14 Q. Okay.

15 A. You got either or.

16 Q. Okay. So how is guaranteed MEA claimed? Is  
17 there a form?

18 A. Well, you put it on your expense report. You  
19 have to fill out your weekly expenses.

20 Q. Okay. Should one be getting the Union credit  
21 card to buy meals and getting guaranteed with MEA for  
22 the --

23 A. No.

24 Q. -- same days?

25 A. No.

1 Q. Why not?

2 A. It's double-dipping. They're already getting  
3 it paid. It doesn't go on the credit card.

4 Q. What is per diem?

5 A. The per diem is the daily allowance. The --  
6 like I said, it's negotiated for the Flight Attendants  
7 and then we copied the Collective Bargaining Agreement  
8 and it would cover those expenses.

9 Q. So would per diem be -- only be away from your  
10 home base and for special --

11 A. Per diem's away from base.

12 Q. Okay. Where are National Officers assumed to  
13 be living per the policy manual for purposes of  
14 expenses and other policies?

15 A. Within a radius of Dallas.

16 Q. And this is regardless of where their  
17 permanent residence is?

18 A. Correct.

19 Q. Can you explain the hosting exception?

20 A. Yes. Sometimes, well even such as this, you  
21 might have a hearing or something. Say a Flight  
22 Attendant arbitration, they got terminated or  
23 something, you'd have witnesses, you'd have lawyers  
24 there and then everyone would go out to lunch. And in  
25 that case, say the -- the Vice President or whoever is



1 doing the hearing might order a meal and everybody  
2 would be included. You're not going to say you're out,  
3 you're out, you're in, so it would include -- and that  
4 was an exception. It was said -- it's stated in here  
5 somewhere that it was to be used very judiciously.

6 Q. I was going to ask you for an example, but you  
7 gave one --

8 A. Okay.

9 Q. And would the four National Officers having  
10 lunch qualify for that hosting exception, just --

11 A. No.

12 Q. Why not?

13 A. You're just doing Union business, having a  
14 Union -- no, a Union meeting.

15 Q. How about department chair meetings, does that  
16 qualify?

17 A. No.

18 Q. Okay. Assuming there's no hosting exception,  
19 should one be getting actual meals on the credit card  
20 and per diem for the same time?

21 A. No.

22 Q. Why not?

23 A. It's double-dipping again.

24 Q. Should one be getting guaranteed MEA while  
25 getting per diem?

1 A. No.

2 Q. Should one be getting guaranteed MEA while on  
3 vacation?

4 A. No.

5 Q. If one did charge a meal such as a group meal,  
6 which does not qualify for the business meal exception,  
7 should they be claiming guaranteed MEA for that day?

8 A. Can you run that by me again?

9 Q. If one did charge a meal, such as a group meal  
10 which does not qualify for a business meal exception,  
11 should they be claiming guaranteed MEA for that day?

12 A. No.

13 Q. Okay. Just want to be clear, if all the Union  
14 Officers are receiving meal allowance and they have a  
15 lunch, should they be charging a meal to the Union if  
16 everyone is on MEA and they're all --

17 A. No, absolutely not.

18 Q. Does it matter if they're discussing Union  
19 business?

20 A. No.

21 Q. What is required on a meal receipt?

22 A. Well, usually the receipts are already dated  
23 by whomever it's from, but you have to put in the  
24 purpose of the expense and who was present at that  
25 meeting that you picked up, that you paid for on a

1 credit card. But you've got to put down the purpose  
2 and the participants.

3 Q. Under the APFA Constitution, who is  
4 responsible for making sure expense forms and receipts  
5 are properly filled out? I'm sorry. Under the APFA  
6 Constitution, who is responsible for making sure  
7 expense form --

8 A. Treasurer.

9 Q. Okay. If meal receipts lack documentation of  
10 who attended and the purpose, do you consider this  
11 proper expense?

12 A. No. I would go back and ask.

13 Q. Okay. I'm going to ask you to look at charged  
14 party Exhibit 1.

15 A. Okay.

16 Q. Have you had a chance to review some of the  
17 credit card and receipts related to Mr. Vargas' meal  
18 expenses?

19 A. Not the -- no.

20 Q. I'll give you some time.

21 A. Okay. So this is right here in the front,  
22 right?

23 Q. Yes, it's --

24 A. Okay.

25 Q. Yes, it's the big section.

1 A. All of these?

2 Q. Just flip through it. Just get -- yeah. Some  
3 of the -- the receipts it's in the back.

4 A. I see.

5 Q. Yeah, in the -- in the back.

6 MS. MORGAN: Objection. Arbitrator  
7 Armendariz, who's admitting this document? Who's  
8 testifying to this?

9 THE ARBITRATOR: She is.

10 MS. MORGAN: Okay. So she's -- but  
11 she -- she's been retired for --

12 THE ARBITRATOR: Oh, I know that, but  
13 she's -- used to be the Treasurer.

14 MS. MORGAN: Yeah.

15 THE ARBITRATOR: Used to be the  
16 Treasurer, so she's --

17 MS. MORGAN: But she's been retired  
18 for --

19 THE ARBITRATOR: -- giving us -- she's  
20 giving us background.

21 MS. MORGAN: So it's not specifically on  
22 the charges, it's the --

23 THE ARBITRATOR: Well, she's -- she's  
24 going to talk about these expenses and, you know, I  
25 guess and whether they're -- whether or not they're

1 prohibited or not.

2 MS. MORGAN: But she's unaware of  
3 current policy. Policies -- policies have changed --

4 THE ARBITRATOR: You can ask her on --

5 MS. MORGAN: -- extraordinarily.

6 THE ARBITRATOR: -- cross-examination.

7 MS. MORGAN: Okay.

8 Q. (BY MS. CHINERY) Do you believe there are any  
9 violations of the policy with the receipts?

10 A. I don't know what all of these are from.  
11 These are all for the Treasurer, all of these expenses?

12 Q. The receipts are in the back. They're --  
13 yeah, in the back.

14 A. Past all the expense reports? Because I'm not  
15 seeing receipts to the expense reports.

16 Q. Oh, I'm sorry, I said 1, it's 2, excuse me.  
17 I'm so sorry. That's my fault. I'm sorry, forgive me.

18 A. Oh, okay.

19 Q. I'll give you a chance to look it over.

20 A. Okay. Well, I guess for all this furniture  
21 stuff --

22 Q. And there's meals in the back.

23 A. -- right, I'm seeing that, but I would want to  
24 know where it is. Where it -- some of these meals it  
25 says Officers' meeting, Taco Cabana.

1 Q. Are there individual names on the receipts?

2 A. No, but Officers don't get to order any food  
3 for an Officers' meeting.

4 Q. Okay. Thank you. When you were Treasurer,  
5 did you allow Officers to take both guaranteed and  
6 actual meal expense?

7 A. No.

8 Q. Okay.

9 A. I see a rental agreement.

10 Q. Okay.

11 A. So I don't know if he brought his --

12 Q. That's -- that's fine.

13 A. Okay.

14 Q. Yeah, we'll get to that.

15 A. Okay.

16 Q. Are you ready?

17 A. Yeah.

18 Q. Okay. Now I'm going to ask you a few  
19 questions about housing and furniture. Can you take a  
20 look at 5H in terms of residence of the National  
21 Officer and what sort of housing is provided? This is  
22 in the policy manual.

23 A. Yeah.

24 Q. This policy was in place in 2016.

25 A. Okay. That's 5 point what?



1 A. National Officer --

2 MS. MORGAN: Pardon me. Pardon me.

3 THE ARBITRATOR: Just a minute.

4 MS. MORGAN: We need -- we need the  
5 exhibits that they've already entered into the record.

6 MS. CHINERY: We haven't entered anything  
7 in --

8 THE ARBITRATOR: They haven't entered --  
9 they haven't offered anything.

10 MS. MORGAN: Okay.

11 THE ARBITRATOR: Of course the policy  
12 manual -- the current policy manual is a Joint Exhibit.

13 MS. CHINERY: Correct.

14 MS. MORGAN: Do have that.

15 THE ARBITRATOR: This one, the 2016 has  
16 not been offered into the record --

17 MS. MORGAN: Okay.

18 THE ARBITRATOR: -- but I'm sure they  
19 will.

20 MS. MORGAN: Okay.

21 THE ARBITRATOR: Okay. I'm sorry. Go  
22 ahead. Repeat that.

23 Q. (BY MS. CHINERY) What -- what does the  
24 bylaws say about where National Officers are living?

25 A. They were considered to reside in Dallas, DFW.

1 Q. Okay. And for purposes of the expenses  
2 regardless of the permanent residence, where are they  
3 considered to live?

4 A. Dallas.

5 Q. And why is that important?

6 A. Why is it important that they be considered to  
7 live in Dallas? Well, we weren't able to keep -- if  
8 you live in Dallas, that's considered your base. So  
9 there's stuff like going home and expenses like that,  
10 that were not incurred because you're living in Dallas.  
11 So it was important that the National Officers be  
12 Dallas based.

13 Q. Okay. 5H 3 deals with electing an apartment  
14 or a paid move.

15 A. Yes.

16 Q. Can you please walk us through some of those  
17 provisions?

18 A. Okay. When you come -- when you get elected  
19 to office, you have a choice. You can either move,  
20 transfer totally to Dallas and the Union will cover  
21 moving expenses, \$10,000 or you could choose to have an  
22 apartment in Dallas that is furnished, no smaller than  
23 one bedroom, the Officers got two bedrooms that have an  
24 office in there. When I came into office, my apartment  
25 was from the preceding Treasurer and it was already

1 furnished, towels, sheets, you name it, it was there  
2 except for one room, the office, I had to get a couch  
3 and a table because that wasn't there, but the rest of  
4 it was fully furnished.

5 Q. Okay. If a National Officer opts to take a  
6 paid move, then -- then they were to move to -- I'm  
7 sorry. If a National Officer opts to take a paid move  
8 when they move to Dallas, do they -- do they get an  
9 apartment?

10 A. No. Either or.

11 Q. It's either or?

12 A. Either or.

13 Q. Okay. Can you explain how corporate  
14 apartments are provided by APFA?

15 A. Well, actually, the Treasurer's office takes  
16 care of that. That they would be -- the Treasurer's  
17 office would obtain the apartments, they would take  
18 care of furnishing them if there was not any furniture  
19 there, but if there was furniture there it would  
20 already -- you know, it's just move in.

21 Q. Okay. And how is the furnishing provided for  
22 these apartments?

23 A. How was the furniture provided?

24 Q. Uh-huh.

25 A. It should already be there.

1 Q. I'm going to point your attention to the  
2 policy in place before October 2016 and that's the  
3 policy you currently have that I just gave you. Can  
4 you walk us through these decisions?

5 A. Through which?

6 Q. So we're going to talk about the -- the  
7 policy, the -- the furniture policy.

8 A. Okay. Well, when I was in office, I wrote a  
9 policy, because sometimes furniture would go missing or  
10 somebody would decide they wanted to buy it. So I put  
11 in place a policy, here it is on 5.22, number seven,  
12 incoming National Officers and other reps shall  
13 normally be able to use outgoing National Officers' or  
14 reps' furniture and furnishings rather than replace  
15 these items with each change of National Officer or  
16 representative, subject to the right to reasonably  
17 refuse furniture and furnishings.

18 Q. Okay. And in your experience, what happened  
19 when reps moved out of their apartment?

20 A. The incoming reps took over that apartment and  
21 it should be fully furnished.

22 Q. Okay. So now the policy in place back before  
23 October 2016 would require that there would be a silent  
24 auction --

25 A. Yes.

1 Q. -- and did you do any of these silent auctions  
2 when you were the Treasurer?

3 A. It occurred after I left office.

4 Q. Okay. So --

5 A. They had one, I know about it, but they had it  
6 at APFA.

7 Q. And so who would -- who would partake in these  
8 auctions?

9 A. Anybody that worked in the building, nearby  
10 flight -- it was open to APFA.

11 Q. Okay. So --

12 A. If you were staff or --

13 Q. And why not just let the National Officers buy  
14 the furniture?

15 A. No. You could see to me where there would be,  
16 I don't know, I don't know what you call it, fraud or  
17 whatever. They come in and buy up whatever they want  
18 and then they decide, well, when I leave, I'm going to  
19 take this home with me. No.

20 Q. Okay.

21 A. It's assets of the Union.

22 Q. Are you familiar with the terms depreciated  
23 value, market fair value?

24 A. Yes.

25 Q. Can you explain the difference between the

1 two?

2 A. Depreciated would be like buying a car. You  
3 drive it off the lot, it's worth a little bit less.  
4 They would depreciate it according to a table. It  
5 almost never gets down to zero. And then market value  
6 would be what's -- what do you think it's worth. What  
7 are you going to pay for this car.

8 Q. Okay. So --

9 A. And what am I going to sell it to you for.

10 Q. So do you think it's possible for an item to  
11 be depreciated to zero?

12 A. No.

13 Q. Okay. Do the bylaws provide for rental cars  
14 in the city of residence?

15 A. No.

16 Q. So once a National Officer takes office, are  
17 they entitled to a car in DFW or Dallas?

18 A. No.

19 Q. Why not?

20 A. Well, I imagine they move their car down here.  
21 They'd -- they would be paid mileage to bring their car  
22 down here, so -- or you could transport your car down  
23 here, so you don't need a rental car.

24 Q. Are you familiar with the term self-dealing?

25 A. Yes.



1 THE ARBITRATOR: Okay.

2 MS. CHINERY: Okay. I apologize.

3 THE ARBITRATOR: Off the record.

4 (Discussion off the record.)

5 THE ARBITRATOR: Please have a seat.

6 State your name and your position for the record.

7 MR. TRUAN: Michael Truan, Flight

8 Attendant.

9 THE ARBITRATOR: Spell your last name.

10 MR. TRUAN: T-R-U-A-N, Truan.

11 THE ARBITRATOR: Go ahead.

12 MICHAEL TRUAN,

13 having been first duly sworn, testified as follows:

14 DIRECT EXAMINATION

15 BY MS. LEE:

16 Q. Hi, Michael. Okay. I'm going to ask you  
17 again, what is your name?

18 A. Michael Truan.

19 Q. Where are you employed?

20 A. American Airlines.

21 Q. What is your position?

22 A. Flight Attendant.

23 Q. How long have you been employed with American  
24 Airlines?

25 A. 23 years.

1 Q. Did you hold any position with APFA?

2 A. Yes.

3 Q. Can you summarize your experience, please?

4 A. Sure. Back in 2004, started working with the  
5 communications departments and moved on to a Base  
6 representative at DFW and then became a full-time  
7 representative in the Dallas Base. And shortly  
8 thereafter started working the contract scheduling desk  
9 at APFA headquarters and through the years, that safety  
10 department. Got elected a domestic negotiator with the  
11 negotiating team back in 2013. Dallas Base Vice  
12 President in 2018 and Base President for DFW in 2019.

13 Q. Thank you. Were you at the Board meeting when  
14 it was discovered that Mr. Vargas, Ms. Martin, and Mrs.  
15 Dunaway received large payouts at the end of their term  
16 for unused vacation and sick payout?

17 A. Yes, I was.

18 Q. Tell me what happened.

19 A. It had been brought to the Board of Directors'  
20 attention that there was a discrepancy with the -- Mr.  
21 Vargas, Ms. Martin, Ms. Dunaway's vacation and sick  
22 payout at the end of their term and that it wasn't  
23 calculated correctly.

24 Q. As a Board member did you address this issue?

25 A. Yes, we did. We had two special Board of

1 Directors' meetings and via resolution that the Board  
2 had passed to have these former Officers pay back the  
3 money to the Union.

4 Q. Do you remember how the payout was calculated?

5 A. It's supposed to be through APFA policy and  
6 National Officers' salary and the former Treasurer had  
7 calculated additional income into that calculation  
8 which was not part of a policy at APFA.

9 Q. Do you know how much?

10 A. It was in the tune of about 5500, 6000,  
11 somewhere in that range.

12 Q. Each Officer?

13 A. Yes.

14 Q. Did they pay it back?

15 A. Not when I was a Base President, which these  
16 Board meetings took place in -- in August. We had two  
17 Board meetings where a resolution had directed them to  
18 pay this back and it had been several months and I know  
19 the Officers had asked for a settlement and that wasn't  
20 considered and the Executive Committee at the end of  
21 the year in December, I don't know the exact date,  
22 2019, also passed a resolution threatening a lawsuit if  
23 these former Officers did not pay the money back.

24 Q. Okay. Did they eventually pay it back?

25 A. I think they did, yes. I wasn't in office

1 THE ARBITRATOR: Okay.

2 MS. MORGAN: And 12.

3 THE ARBITRATOR: Okay. Any objection?

4 MS. CHINERY: No. No, we're good.

5 THE ARBITRATOR: Hearing no objection,  
6 99 and 12 are received into the record. Any other  
7 questions of this witness?

8 MS. LEE: Yeah, I'd like to redirect.

9 THE ARBITRATOR: Hold on a minute. Any  
10 other questions of this witness, Heidi?

11 MS. MORGAN: No, thank you.

12 THE ARBITRATOR: Redirect?

13 MS. LEE: Yes, please.

14 REDIRECT EXAMINATION

15 BY MS. LEE:

16 Q. Michael, there was a meeting on August 16th --  
17 August 12th, in that meeting they gave a 12 point --  
18 a -- a -- a 14-page PowerPoint presentation on the  
19 calculation; do you recall that?

20 A. I recall seeing it on the screen.

21 Q. Okay. Was Mr. Vargas in attendance?

22 A. In the gallery that was the 12th of August. I  
23 cannot recall. I recall seeing him on another meeting,  
24 but --

25 Q. Was Ms. Martin in attendance?

1 A. She was a member of the Board.

2 Q. And this was a Board meeting, right?

3 A. Correct.

4 Q. So Board members probably would be there?

5 A. Correct.

6 Q. Okay. Was Bob there, Bob Ross?

7 A. Well, gosh, I can't say yes or no. I do not  
8 remember that.

9 Q. Okay. So on that 14 point PowerPoint  
10 presentation, they discussed the formula that was --  
11 should have been used for the payout, that's what the  
12 presentation was about, correct?

13 A. Correct, the National Officers.

14 Q. Okay. So that calculation that they used,  
15 that they presented to the Board, was that the same  
16 calculation that eventually many, many months later,  
17 Mr. Vargas, Ms. Martin, and Mrs. Dunaway, was that the  
18 -- was that calculation used to formulate the amount  
19 that they paid, calculation as given on August 12th?

20 A. No, because that wasn't the calculation that  
21 was used.

22 Q. Who -- who presented that PowerPoint?

23 A. Oh, my gosh. I think it was Larry Salas, if  
24 I'm correct. I think Jeff Pharr maybe. I think it was  
25 Jeff and Larry, if memory serves me.

1 Q. Okay. Let me ask you, was that calculation  
2 used for what they had to pay back, that PowerPoint?

3 A. That was a PowerPoint used to explain what the  
4 payout should have been.

5 Q. Should have been?

6 A. Correct.

7 Q. And that is what they eventually paid out on?

8 A. Correct.

9 Q. Thank you. I have a few more questions.

10 MS. CHINERY: Can I -- can we take a --  
11 can I confer?

12 THE ARBITRATOR: Pardon?

13 MS. CHINERY: Can we confer?

14 THE ARBITRATOR: Yes, you can confer. I  
15 mean, you can confer right there.

16 MS. CHINERY: Okay. Thank you.

17 THE ARBITRATOR: Any questions?

18 MS. CHINERY: Thank you.

19 MS. LEE: Yes.

20 Q. (BY MS. LEE) Were you ever on a Board call  
21 where Mr. Vargas -- where Mr. Vargas was asked if Bob  
22 Ross received the same payout calculations that the  
23 other three Officers did, the overpayment?

24 A. Yeah, we were on a Base President call with  
25 our APFA attorney, Bruce Lerner, and there was several



1 Board members on that call when Mr. Vargas was asked of  
2 this payout and how it came about. And again, it was  
3 mentioned by Mr. Vargas that Mr. Ross had his package,  
4 so that wasn't included, it was just a vote that Ms.  
5 Dunaway, Ms. Martin, and Mr. Vargas took amongst  
6 themselves whether to pay themselves, yes or no on this  
7 and that's how that came about.

8 Q. Okay. Did he mention whether or not he, Bob,  
9 got the payout, the elevated payout?

10 A. That that was included with Bob, so he was --

11 Q. Okay.

12 A. -- included in his pay.

13 Q. He said it was included in his exit package?

14 A. In his -- in his package that --

15 Q. Okay.

16 A. -- he got.

17 Q. Can you tell -- who else was on that call?  
18 You missed probably -- you mentioned Mr. Lerner?

19 A. Bruce Lerner was our APFA attorney at the  
20 time.

21 Q. Okay. Why was he on the call?

22 A. He was the one that was doing the  
23 investigation with this payout.

24 MS. MORGAN: I'm -- I'm sorry, I  
25 can't -- I can't hear you, Michael. I'm sorry.

1 THE WITNESS: Bruce Lerner was the  
2 attorney that a -- was the attorney that spoke with us  
3 on the Board and gave us the information moving forward  
4 as the investigation ensued.

5 Q. (BY MS. LEE) Did Mr. Lerner ask -- ask  
6 Eugenio during that conversation if he wanted to obtain  
7 a lawyer?

8 A. Yes, he did tell Mr. Vargas that he's free to  
9 get an attorney as this could -- could possibly become  
10 criminal charges.

11 Q. Okay. Who else was on -- I know Mr. Lerner.  
12 Who else was on the call?

13 A. Our attorney, myself, Dallas, Mr. Nikides,  
14 President from Los Angeles, Ms. Babi from Phoenix,  
15 Kaswinkel, Ms. Kaswinkel from Philadelphia, Mr.  
16 Trautman from Miami, Mr. Norvell from New York.

17 Q. So pretty much --

18 A. Mr. Hazelwood from Charlotte. It wasn't  
19 the --

20 Q. Entire Board.

21 A. -- entire Board, but it was --

22 Q. A lot.

23 A. -- I think about seven to eight Board  
24 Presidents.

25 MS. LEE: Okay. One second. Thank you,

1 A. -- it had just been taken to the consignment  
2 store when I went in.

3 Q. So you don't know?

4 A. I don't know. I never got an answer about how  
5 much APFA made.

6 Q. Okay.

7 THE ARBITRATOR: Any others? Any  
8 others? You're excused. Thank you very much.

9 THE REPORTER: I've got to have a break.

10 THE ARBITRATOR: Okay. Let's take a 10  
11 minute break.

12 (Break from 2:21 to 2:36.)

13 THE ARBITRATOR: Your first witness?

14 MS. CHINERY: Oh, are we -- can I just  
15 ask about --

16 THE ARBITRATOR: No, we'll get in to  
17 that.

18 MS. CHINERY: Gotcha. Okay.

19 JOHN NIKIDES,  
20 having been first duly sworn, testified as follows:

21 DIRECT EXAMINATION

22 BY MS. CHINERY:

23 Q. Can you state your name for the record?

24 THE ARBITRATOR: No.

25 A. John Nikides.

1 THE ARBITRATOR: Okay. Have you been  
2 sworn in here?

3 THE WITNESS: Yes.

4 THE ARBITRATOR: Okay. Good. And spell  
5 your last name.

6 THE WITNESS: N-I-K-I-D-E-S.

7 THE ARBITRATOR: Okay. Before we go on  
8 the -- before we start questioning you, you wanted to  
9 offer some -- some exhibits --

10 MS. MORGAN: Yes.

11 THE ARBITRATOR: -- into the record?

12 MS. MORGAN: Yes.

13 THE ARBITRATOR: Which ones?

14 MS. MORGAN: 29 and 30 and 36 --

15 MS. CHINERY: We object.

16 MS. MORGAN: -- and 10.

17 THE ARBITRATOR: And 36? And you  
18 object?

19 MS. CHINERY: Yes.

20 THE ARBITRATOR: Why?

21 MS. CHINERY: Because Ms. Casey is not  
22 here to speak to this and it's a lack of foundation.  
23 Anybody could have said that.

24 THE REPORTER: Anybody could have what?

25 MS. CHINERY: Anybody -- we don't know

1 what the -- where they came from.

2 THE ARBITRATOR: Well, she brought it in  
3 through the witness, so --

4 MS. CHINERY: But the emails are not --

5 THE ARBITRATOR: -- there was no  
6 objection at that time, so I'm going to go ahead and  
7 overrule your objection. It's received into the  
8 record.

9 Okay. Let's go ahead and hear some  
10 questions.

11 MS. CHINERY: Okay.

12 Q. (BY MS. CHINERY) What is your name?

13 A. John Nikides.

14 Q. Where are you employed?

15 A. American Airlines.

16 Q. Okay. What is your position?

17 A. I'm a Flight Attendant.

18 Q. How long have you been a Flight Attendant?

19 A. 37-and-a-half years.

20 Q. Okay. Do you have a position with the Union?

21 A. Yes. I'm the Los Angeles Base President.

22 Q. Okay. And what other positions have you held?

23 A. I've been safety rep with LaGuardia, San

24 Francisco Vice Chair, Assistant to the President,

25 American Eagle liaison, LAX International Vice

1 Chairperson, LAX Domestic Vice Chairperson, LAX

2 Domestic Chairperson, and then LAX Base President.

3 Q. And how long have you been the Base President  
4 for Los Angeles?

5 A. Since April 1st, 2001.

6 Q. Wow. Okay. And can you please tell us, were  
7 you ever on a Board call with Mr. Vargas discussing the  
8 change of formula for vacation payouts?

9 A. Yes.

10 Q. And who else was on this call?

11 A. If I recall correctly, I believe the Miami  
12 Base President, Randy Trautman. I think also the San  
13 Francisco Base President at the time, P.J. Toms, and  
14 Mr. Vargas. I -- I also believe our attorney, Mr.  
15 Lerner --

16 Q. Okay.

17 A. -- was on.

18 Q. And what was discussed on that call?

19 A. MEA and SAF.

20 Q. Can you explain those things to us?

21 A. Yes. Actually the genesis of MEA and SAF come  
22 from the previous policy manual that was in effect up  
23 until 1991. It was originally called the 2040 and what  
24 it was originally intended to do was to replace the per  
25 diem that we would be losing as Flight Attendants when



1 we're removed from trips.

2 This 2040 was a single pay, a rated item  
3 and it was single pay rate and it was based on a  
4 sliding scale of how many hours you worked. This  
5 transition with the new policy manual in 1991 said the  
6 MEA and SAF would essentially be -- the MEA was the  
7 meal expense allowance; SAF is -- I believe it's --  
8 I've been calling it SAF for so long, but special  
9 activity fee or something like that.

10 And essentially what it does for those of  
11 us on the line, for example I base schedule a room for  
12 my trips, it does replace the per diem. Now, if I'm  
13 away from home, for example I attend a Board meeting, I  
14 will put in for MEA because that covers my meal  
15 allowance.

16 Q. Okay. So why were you discussing this --  
17 these topics on that call?

18 A. Because -- well, the MEA and SAF there was  
19 this issue that had come up whether MEA and SAF were  
20 considered wages and --

21 Q. I'm sorry. Excuse me. Who --

22 A. Okay.

23 Q. -- the issues with who?

24 A. Mr. Vargas claimed that the MEA and SAF were  
25 wages and that was what they based certain payouts to

1 the National Officers or three of the National  
2 Officers --

3 Q. Okay.

4 A. -- on.

5 Q. Okay. So at any time during this call, did  
6 Mr. Vargas inform you that Bob Ross had not gotten this  
7 formula?

8 A. Yes, he did.

9 Q. What did he say?

10 A. He said that Bob Ross was not included. And  
11 in fact, I was in text contact with Bob Ross shortly  
12 thereafter and I did confirm that with Bob Ross,  
13 because I did ask him and I said, well, if you're happy  
14 that you weren't included in the same.

15 Q. Because?

16 A. Technical miscalculation.

17 Q. Because the -- the three in question, I mean,  
18 they had to be paid back?

19 A. Correct.

20 Q. They had to be paid back --

21 A. Correct.

22 Q. -- so if it's -- a Board member would have  
23 known from the Treasurer, you would have been after  
24 that money --

25 A. Absolutely --

1 Q. -- as well?

2 A. -- there would have been no reason to exclude  
3 Bob Ross from our actions, the actions that we took to  
4 secure the monies from the other three National  
5 Officers. There was no reason for us to -- to --

6 Q. Did --

7 A. -- exclude Bob.

8 Q. -- on this call did Bruce Lerner inform Mr.  
9 Vargas to get legal counsel?

10 A. Yes, he did. He suggested that Eugenio get  
11 legal counsel and it -- it did appear to be a pretty  
12 strong recommendation.

13 Q. Okay. So in your, how many years of being a  
14 President, I'm sorry, 37 --

15 A. 37 and a half.

16 Q. Okay. And 35 of doing Union work?

17 A. 36.

18 Q. Have you ever known any other administration  
19 to use the MEA, SAF or --

20 A. No.

21 Q. Okay.

22 A. No.

23 Q. Okay.

24 A. In fact, I would object strenuously to this  
25 day. MEA and SAF were never intended to be wages.

1 MS. CHINERY: Yes.

2 REDIRECT EXAMINATION

3 BY MS. CHINERY:

4 Q. When you looked at -- when you are at the  
5 Board meetings or the special Board meeting when you  
6 reviewed all the calculations, did you happen to say  
7 anything to -- did Randy Trautman say anything to you  
8 at that Board meeting?

9 A. Yes, he did.

10 Q. And can you tell us what he said?

11 A. I recall that he stated that he felt that they  
12 had taken advantage of us.

13 MS. MORGAN: Pardon, what did you say?

14 THE WITNESS: That they had taken  
15 advantage of -- that they had taken advantage of us.

16 Q. (BY MS. CHINERY) In regards to?

17 A. The payout.

18 Q. Okay. And do you -- as a Base President, do  
19 you feel that they took advantage of the system?

20 A. I believe based on the long-standing policy of  
21 APFA that MEA and SAF were not wages, that nobody had  
22 any business treating them as wages when it came to a  
23 calculation of a payout.

24 Q. In your opinion -- or I'm sorry, excuse me.  
25 As a Base President, you're familiar with the policy

1 manual?

2 A. Yes, I am.

3 Q. Okay.

4 A. As best as I could be.

5 Q. Okay.

6 A. Yeah.

7 Q. Do you -- if somebody is getting MEA and they  
8 go out on their credit card, do you think that that's  
9 okay?

10 A. No. MEA --

11 Q. Why is that?

12 A. -- MEA is meant to be a reimbursement for  
13 meals that you partake in. To use the credit card to  
14 purchase meals and then to receive the MEA, which means  
15 the MEA goes into your pocket, that's double-dipping.

16 Q. Okay.

17 A. Can't do that.

18 Q. So also in your opinion -- or I'm sorry,  
19 excuse me. Before they left office, three days before  
20 they left office, they all signed each other's checks.  
21 So if there was -- there was four \$4000 -- sets of  
22 \$4000 checks and they all signed it for each other,  
23 have you ever heard of that practice? Because normally  
24 when -- isn't the -- correct me if I -- oh, isn't it  
25 correct the policy is the incoming administration signs

1 off on their checks and then that's --

2 A. That's my understanding --

3 Q. Okay.

4 A. -- yes.

5 Q. So have you ever known in your years of --

6 A. No.

7 Q. -- Union work for the -- their own

8 administration to sign off on their checks?

9 A. No.

10 Q. Okay.

11 MS. CHINERY: We reserve the right to  
12 recall him if we need to, please.

13 THE ARBITRATOR: Any other questions?

14 MS. MARTIN: Uh-huh.

15 RECROSS-EXAMINATION

16 BY MS. MARTIN:

17 Q. Jonathan, when you attend Board meetings, are  
18 meals provided for the Base Presidents on most  
19 occasions?

20 A. Well, sometimes they will bring in lunch, yes.

21 Q. Okay.

22 A. That's true.

23 Q. When you are at those meetings, you're  
24 collecting MEA --

25 A. Correct.



1 THE ARBITRATOR: Please have a seat.  
2 State your name, your position for the record.

3 MR. HARRIS: My name's Erik Harris and  
4 I'm the APFA Treasurer.

5 ERIK HARRIS,  
6 having been first duly sworn, testified as follows:

7 DIRECT EXAMINATION

8 BY MS. LEE:

9 Q. Hi, Erik.

10 A. Hello.

11 Q. Okay. I'll start with the obvious. What is  
12 your name?

13 A. Erik Harris.

14 Q. Where are you employed, Erik?

15 A. I'm employed for APFA right now, but also an  
16 American Airlines Flight Attendant.

17 Q. Okay. What is your position at APFA?

18 A. National Treasurer.

19 Q. How long have you been employed at APFA?

20 A. Since April 2020. April 1st. Employed at  
21 APFA.

22 Q. At American Airlines?

23 A. American since May 2014, yes.

24 Q. Okay. Did you hold any positions with APFA  
25 during your career, other positions?

1 A. Yes.

2 Q. Could you tell us about those?

3 A. Okay. Started contract and scheduling  
4 representative. I was a health department rep, IOD  
5 department rep, safety and security department rep, a  
6 BCR Philadelphia, budget committee member, and national  
7 contract chair. I might have forgot something.

8 Q. In your role as National Treasurer, have you  
9 been responsible for responding to requests to see  
10 financial information?

11 A. Primarily, yes.

12 Q. I've got to back up. To your knowledge, has  
13 an incoming Officer who has chosen to relocate to DFW  
14 or Dallas been able to purchase outgoing furniture?

15 A. Incoming --

16 Q. The furniture of an outgoing Officer per  
17 policy?

18 A. Would the incoming be able to purchase that?

19 Q. Would the incoming -- incoming Officer who has  
20 chosen to relocate, not living --

21 A. Oh, relocate --

22 Q. -- in corporate --

23 A. -- okay.

24 Q. -- housing --

25 A. Okay. That's the requirements.

1 Q. Okay. Not living in corporate housing,  
2 they've chosen to relocate, has that incoming Officer  
3 or have they ever been able to purchase the furniture  
4 of an outgoing Officer per policy, do you know?

5 A. I don't know. I've not since my -- since me  
6 being here, that hasn't happened.

7 Q. Okay. Okay. Okay. We'll move on. I'm going  
8 to reask this question. In your role as National  
9 Treasurer, have you been responsible for responding to  
10 requests to see financial information?

11 A. Yes.

12 Q. Did you see requests for -- from Melissa and  
13 myself?

14 A. Yes.

15 Q. To come down and see financial records?

16 A. Yes.

17 Q. And did you set up times for us to see the  
18 information?

19 A. Yes.

20 Q. Approximately how many times did we come down  
21 to review the information?

22 A. I would say since we -- since I came into the  
23 office --

24 Q. Approximately?

25 A. -- five to 10.

1 Q. Five to 10?

2 A. Yeah.

3 Q. So you've been present with both Melissa and  
4 myself when we came down?

5 A. The majority, yes.

6 Q. Okay. If you weren't present, who was  
7 present?

8 A. The assistant to the Treasurer, Robert  
9 (unintelligible).

10 Q. Who was Treasurer before you took office?

11 A. Craig Gunter.

12 Q. And before him?

13 A. Eugenio Vargas.

14 Q. When you came into office, how would you  
15 describe the state of the Union financial records?

16 A. They were very bad.

17 Q. Could you elaborate?

18 A. The -- there were pay loss bills behind.  
19 There was a lot of overspending and just -- just not  
20 very well kept books in general.

21 Q. Do you think the financial records that you  
22 were supposed to keep for what we think is five years,  
23 were they there? Did you have an opportunity to look?

24 A. I didn't look thoroughly, but I -- when I did  
25 look, there were a lot of things missing or not -- not

1 there --

2 Q. Okay.

3 A. -- were not kept well.

4 Q. We'll get further into that. What is the  
5 obligation for Union Officers to substantiate credit  
6 card, their credit card spending?

7 A. There's -- well, I'll say prior to this year,  
8 the only requirement or obligation was that the OL --  
9 OLMS and the requirement was to provide receipts and  
10 substantiate credit card purchases and document those  
11 items.

12 Q. How do you document them? How do you document  
13 it? I came over with a credit card, how would I  
14 document it --

15 A. It was done --

16 Q. -- for a receipt?

17 A. -- different ways. Are you talking about for  
18 me?

19 Q. For any of the Officers.

20 A. Oh. Just they were provided to the  
21 Treasurer's office, the receipts along with the credit  
22 card statements.

23 Q. Is there documentation required on the  
24 receipt?

25 A. Document -- say that again.

1 Q. When you get a receipt from -- when a receipt  
2 comes across your desk, what do you expect to be on  
3 that receipt?

4 A. Oh, definitely matching the charge amount.

5 Q. Okay.

6 A. And the date.

7 Q. Okay.

8 A. And the same information that's on there and  
9 any details to --

10 Q. What details?

11 A. -- what was purchased. What was purchased --

12 Q. Uh-huh.

13 A. -- why it was purchased.

14 Q. Uh-huh.

15 A. What -- what department to charge it to for  
16 financials in the budget and who was there, who made  
17 the purchase.

18 Q. Okay. So what is the procedure for submitting  
19 receipts for the credit cards? Is this done monthly?

20 A. It is done -- we try to do it monthly.

21 Q. Did you receive subpoenas from Melissa and  
22 myself, the charging parties, for the financial  
23 documents related to this hearing?

24 A. Yes.

25 Q. Did you see the -- oversee the effort to



1 A. Which -- which --

2 MS. CHINERY: The box.

3 Q. (BY MS. LEE) The box --

4 A. The box --

5 Q. -- that's missing?

6 A. -- S through V, yes, Trapp.

7 Q. So that includes --

8 A. Yes.

9 Q. -- Michael Trapp?

10 A. Yes.

11 Q. So his invoices are lost too?

12 A. Yes.

13 Q. Okay. Thank you. So is it -- again, I'm  
14 saying this over and over, but we're talking about the  
15 fiscal year April 2017 to March 2018?

16 A. No.

17 Q. I'm sorry, '16 to '17?

18 A. Yes.

19 Q. Okay. Who has the ultimate responsibility  
20 under APFA Constitution to maintain financial records?

21 A. The Treasurer.

22 Q. Does APFA have a policy on keeping inventory?

23 A. Yes.

24 Q. Can you explain what the policy is?

25 A. The policy just states that inventory must be

1 kept. There's no specifics on how.

2 Q. Okay. So who has the responsibility for  
3 maintaining the inventory list?

4 A. The Treasurer.

5 Q. So that would be one of your duties to ensure  
6 that inventory list was kept. Were you able to locate  
7 the inventory list for furniture from the Vargas  
8 administration?

9 A. No -- well, I only supplied what I received  
10 and --

11 Q. So --

12 A. -- if it contained anything from there.

13 Q. So were you able to locate any inventory from  
14 the Vargas administration?

15 A. No, and there's no inventory list.

16 Q. Thank you. Are you aware of an issue related  
17 to the formula for the payout of vacation for former  
18 National Officers Mr. Vargas, Ms. Martin, and Mrs.  
19 Dunaway, and Bob Ross?

20 A. Yes.

21 Q. Can you explain the issue?

22 A. So there was some -- there was a disagreement  
23 on how the formula was -- or what the formula was. If  
24 it included the MEA and SAF payments -- I guess let me  
25 back up. For calculating the payout, the annual payout

1 takes your annual salary and it's a formula based on  
2 that. The MEA and SAF are payments above and beyond  
3 the salary and those amounts were included on the -- in  
4 the formula, but there was a disagreement on that.

5 Q. Okay.

6 MS. CHINERY: May I confer for a second?

7 THE ARBITRATOR: Go ahead. I tell you  
8 what, let's continue this tomorrow.

9 MS. CHINERY: Okay.

10 THE ARBITRATOR: Okay. Do you want to --  
11 you want to start at 8:30?

12 MS. CHINERY: Yes.

13 MS. LEE: Yes.

14 THE ARBITRATOR: Yeah, let's start at  
15 8:30. Can y'all do --

16 MS. MORGAN: Uh-huh, yes.

17 THE ARBITRATOR: Okay. Let's start at --  
18 it's -- we'll continue this tomorrow, 8:30 a.m.

19 (Proceedings recessed at 4:34 p.m.)


20 (End of Volume 1.)  
21  
22  
23  
24  
25

1 STATE OF TEXAS )

2 COUNTY OF DALLAS )

3 THIS IS TO CERTIFY THAT I, MELISSA J. CARSON,  
4 a Certified Shorthand Reporter in and for the State of  
5 Texas, reported in shorthand the proceedings had at the  
6 time and place set forth in the caption hereof, and  
7 that the above and foregoing 250 pages contain a full,  
8 true, and correct transcript of the said proceedings to  
9 the best of my ability.

10 Certified to on this the 27th day of October,  
11 2021.

12  
13   
14 MELISSA J. CARSON, Certified  
15 Shorthand Reporter in and for  
16 The State of Texas



17  
18 Certification No. 1737  
19 CRCB Firm Registration #489  
20 Expires August 31, 2022  
21 CARSON REPORTING & ASSOCIATES  
22 Post Office Box 551628  
23 Dallas, Texas 75355-1628  
24 Telephone 214.346.3434  
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IN THE MATTER OF THE ARBITRATION BETWEEN  
MELISSA CHINERY, Member ) BEFORE THE ARTICLE VII  
And )  
SANDRA LEE, Member )  
 ) ARBITRATOR  
AND )  
 )  
EUGENIO VARGAS, Member ) HON. RUBEN R. ARMENDARIZ

\*\*\*\*\*

SEPTEMBER 15, 2021

VOLUME 2

\*\*\*\*\*

BE IT REMEMBERED that on the 15th day of  
September, 2021, the above cause came on for hearing  
before HON. RUBEN R. ARMENDARIZ at the WESTIN IRVING  
CONVENTION CENTER AT LAS COLINAS, 400 West Las Colinas  
Boulevard, located in the City of Irving, County of  
Dallas, State of Texas, whereupon the following  
proceedings were had.

A P P E A R A N C E S :

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmail.com

APPEARING AS THE ARBITRATOR

MS. MELISSA CHINERY  
EMAIL: Melchinery@aol.com

AND

MS. SANDRA LEE  
EMAIL: SEL27995@gmail.com

APPEARING FOR THE CHARGING PARTIES

MS. HEIDI J. MORGAN  
EMAIL: heidimorgan65@gmail.com

AND

MS. NENA MARTIN

APPEARING FOR THE CHARGED PARTY, EUGENIO VARGAS

\* \* \* \*



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1 P R O C E E D I N G S

2 THE ARBITRATOR: Okay. The hearing will  
3 be in order. This is a continuation of the hearing of  
4 September 14th, 2021. We left off with Mr. Erik Harris  
5 and understand, Mr. Harris, that you're still under  
6 oath. Okay.

7 We have the same representatives for both  
8 sides. Is there anything the parties wish to raise at  
9 this time with the Arbitrator?

10 MS. MORGAN: I have a housekeeping  
11 question.

12 THE ARBITRATOR: You have what?

13 MS. MORGAN: A housekeeping question.

14 THE ARBITRATOR: Okay.

15 MS. MORGAN: We have -- since our  
16 hearing was supposed to be two days --

17 THE ARBITRATOR: Right.

18 MS. MORGAN: -- we have a witness that is  
19 very pertinent to our case who is scheduled to fly  
20 tomorrow and so has to go home tonight. So how do we  
21 intend to deal with that issue?

22 THE ARBITRATOR: They have to go home  
23 tonight?

24 MS. MORGAN: They have to because they  
25 fly tomorrow.

1 THE ARBITRATOR: They fly tomorrow?

2 MS. MORGAN: Yes.

3 THE ARBITRATOR: Okay. And they're your  
4 witnesses, right?

5 MS. MORGAN: Yes.

6 THE ARBITRATOR: I don't know, you know.  
7 This case -- this case presents itself with a lot of  
8 witnesses and -- and I don't know when they'll finish  
9 your -- your -- when are you going to finish your case,  
10 do you think, with the witnesses you have?

11 MS. CHINERY: We've got more -- we've  
12 got several more witnesses.

13 THE ARBITRATOR: Okay. Does that mean  
14 today?

15 MS. LEE: Six.

16 MS. CHINERY: Probably.

17 THE ARBITRATOR: Okay. Most of the day?

18 MS. CHINERY: Yes.

19 THE ARBITRATOR: Okay. Let's go off the  
20 record.

21 (Break from 8:37 to 8:42.)

22 THE ARBITRATOR: Back on the record.

23 We're with Mr. Harris. Would you like to start  
24 questioning?

25 MS. LEE: Yes.

1 furniture.

2 Q. So what does that mean?

3 A. So that means that it was written off the  
4 books.

5 Q. How was it disposed of?

6 A. I don't know.

7 Q. Is there any record of Greg Gunter's furniture  
8 being purchased?

9 A. I don't have any record of it being purchased.

10 Q. Sold?

11 A. No.

12 Q. Inventoried?

13 A. No.

14 MS. LEE: I think we're about done, just  
15 one second. I want to confer with them. I think we're  
16 about done.

17 Q. (BY MS. LEE) Okay. So could you guys go to  
18 Exhibit 5, please? Do you have a sheet like this for  
19 Craig -- Greg Gunter's furniture, Greg?

20 A. No, this is the only one. This is the latest  
21 one I have and the only one I have.

22 Q. Do you have a sheet like this for anyone, any  
23 furniture?

24 A. Yes.

25 Q. Okay. What do you have?

1 A. It had -- well, this lists furniture --

2 Q. The list --

3 A. -- from -- this -- this listed the assets we  
4 have. There's various furniture based on the person.

5 MS. CHINERY: Confer just a minute.

6 MS. LEE: Hold on one second.

7 Q. (BY MS. LEE) What term is this furniture  
8 from?

9 A. So the problem with this depreciation schedule  
10 that I have --

11 Q. Yes.

12 A. -- is that it is not an inventory list, it  
13 just lumps all furniture together as one item or one  
14 number and it's depreciated. So it shows where -- who  
15 purchased it. So various furniture, C. Gunter. It  
16 just shows that Craig Gunter purchased this furniture,  
17 but there is no -- we don't know where that ended up,  
18 so --

19 Q. You don't know where it ended up?

20 A. There has been no -- well, I know what Craig's  
21 has (sic), I'm sorry, but if you were to ask me where  
22 Greg's is --

23 MS. MORGAN: Objection. Are you talking  
24 about Craig Gunter or Greg Gunter?

25 THE WITNESS: Well, I --



1 standing up and raising your right hand, please?

2 (Witness sworn.)

3 THE ARBITRATOR: Have a seat. State your  
4 name --

5 THE WITNESS: Debbie Hoover.

6 THE ARBITRATOR: -- and your position --  
7 and your position.

8 THE WITNESS: Accountant.

9 THE ARBITRATOR: Okay. Go ahead.

10 DEBBIE HOOVER,  
11 having been first duly sworn, testified as follows:

12 DIRECT EXAMINATION

13 BY MS. CHINERY:

14 Q. What is your name, please?

15 A. Debbie Hoover.

16 Q. Where are you employed?

17 A. APFA.

18 Q. How long have you been employed at APFA?

19 A. 22 years next month.

20 Q. What is your position?

21 A. Accountant.

22 Q. Can you describe your job duties, please?

23 A. I do payroll, trip removal stuff, and that's  
24 pretty much it. Well, I mean, I started in July also  
25 expenses, like the Flight Attendants' expenses, but I

1 just started July month. So I paid them August 30th.

2 Q. Are you familiar with an issue related to  
3 former National Officers during the Ross administration  
4 changing their vacation formula for their vacation  
5 payout?

6 A. Yes.

7 Q. This would have been at the end of the --  
8 their term in June of 2018, correct?

9 A. Yes.

10 Q. Can you explain the process? So did any of  
11 the Officers approach you about changing this formula?

12 A. Yes.

13 Q. Who told you to change this formula?

14 A. Eugenio.

15 THE ARBITRATOR: I'm sorry, what was --

16 THE WITNESS: Eugenio Vargas.

17 THE ARBITRATOR: Eugenio --

18 THE WITNESS: Yeah.

19 THE ARBITRATOR: -- Vargas. Mr. Vargas.

20 THE WITNESS: Sorry, I don't know if I  
21 ever said his name right. I tried.

22 MR. VARGAS: You're close enough.

23 Q. (BY MS. CHINERY) And can you explain what you  
24 were told to do?

25 A. Add SAF and MEA.

1 Q. Had this ever been done before?

2 A. Not that I'm aware of.

3 Q. And this -- and -- and was this consistent  
4 with how the vacation payout formula had been done,  
5 administered in previous administrations?

6 A. Can you rephrase the question?

7 Q. Had you ever know it to be done before?

8 A. No.

9 Q. Okay. How long had you worked on paying out  
10 vacation for outgoing National Officers? How long have  
11 you done it?

12 A. March 2015 is when I started.

13 Q. When he asked you to do this, did it raise --  
14 raise any red flags with you?

15 A. Yes.

16 Q. What were they?

17 A. Just that it hadn't been done before. It  
18 wasn't past practice.

19 Q. Okay. So when they wrote these checks, why  
20 were you told to break the payments up into four \$4000  
21 checks? They were like four, four, four, four?

22 A. Taxes purposes, so they didn't take as much  
23 out.

24 Q. Who told you that?

25 A. I don't recall. I think it was a joint. I

1 don't...

2 Q. Was there more than one of the National  
3 Officers that told you to do that?

4 A. I don't remember that.

5 Q. Okay. Would it be a National Officer that  
6 would tell you something to -- to do something like  
7 that?

8 A. Yes. I wouldn't do it without an Officer.

9 Q. And that person was Eugenio Vargas, right?

10 A. Again, I don't really recall that.

11 Q. Were you on May 25th of 2018 sent an email by  
12 Mr. Vargas talking about Bob Ross having to pay back  
13 furniture and to deduct it out of his paycheck; do you  
14 recall that?

15 A. I believe that email went to Rene, but Rene  
16 may have forwarded it to me.

17 MS. MORGAN: Objection. I believe.

18 THE ARBITRATOR: If you don't know --

19 THE WITNESS: I don't know.

20 THE ARBITRATOR: Okay. There you go.

21 Q. (BY MS. CHINERY) Were you subpoenaed to  
22 testify here today?

23 A. Yes.

24 Q. Have you ever testified in APFA internal  
25 charges before?

1 THE ARBITRATOR: Okay. You're excused.

2 Next witness.

3 MS. CHINERY: Can we take a little  
4 break?

5 THE ARBITRATOR: Yeah, let's take 10  
6 minutes again.

7 MS. CHINERY: Okay.

8 THE ARBITRATOR: Off the record.

9 (Break from 2:58 to 3:04.)

10 MS. CHINERY: I'm the last witness.

11 THE ARBITRATOR: You're the last  
12 witness, okay.

13 (Witness sworn.)

14 THE ARBITRATOR: Please have a seat.  
15 State your name, position for the record.

16 MS. CHINERY: My name is Melissa Chinery  
17 and I don't -- I'm a Flight Attendant.

18 MELISSA CHINERY,  
19 having been first duly sworn, testified as follows:

20 DIRECT EXAMINATION

21 BY MS. LEE:

22 Q. Melissa, where are you employed?

23 A. American Airlines.

24 Q. What is your position?

25 A. Flight Attendant.

1 Q. How long have you been employed at American  
2 Airlines?

3 A. 25 years, I think.

4 Q. Are you a member of the Union?

5 A. Yes.

6 Q. Have you ever held a position with the Union?

7 A. No.

8 Q. Have you ever run for office?

9 A. Yes.

10 Q. Can you tell me about what you ran for and the  
11 time frame?

12 A. I ran for Philly Base President in 2016, I  
13 believe, and then Phoenix Base President in 2019. I'm  
14 not good with dates, but yeah, or '20 or maybe it was  
15 '20, I don't know.

16 Q. Do you know Eugenio Vargas?

17 A. I do not know him personally.

18 Q. Do you know who he is?

19 A. Yes.

20 Q. What positions he's held with the Union?

21 A. I -- I know he was the National Treasurer,  
22 but -- and I think -- I think he held a Base position,  
23 too. I'm not really sure.

24 Q. Okay. When he ran for office, who did he run  
25 with, do you know?



1 A. He ran with Bob and Nena and -- oh, I'm sorry,  
2 Bob Ross, Nena Martin, Marcy Dunaway, and him.

3 Q. What time period were they in office?

4 A. 2 -- 2016 to 2018.

5 Q. Did you support Bob Ross and Eugenio Vargas --

6 A. Yes.

7 Q. -- when they were running?

8 A. I -- I -- yes, I did.

9 Q. Were they elected?

10 A. Yes, they were.

11 Q. Did you subsequently come to no longer support  
12 Mr. Ross?

13 A. Yes.

14 Q. Can you explain why?

15 A. There were -- there were a couple -- well,  
16 actually, there was two main reasons. One, he promised  
17 a lot to do for -- this was about a merger, LE --  
18 Legacy U.S. Air and Legacy American, and he promised  
19 to, you know, bring us together and unite us and quite  
20 frankly, he soon came to ignore the U.S. Airways Flight  
21 Attendants.

22 Q. Did you take any action?

23 A. Yes, we did. Yes, we did.

24 Q. What did you do?

25 A. Well, what we're afforded to by our

1 here, like, 34 letters to -- to see the financials.

2 And basically the more evasive she got, the more  
3 curious I got. So that's pretty much...

4 Q. And were -- are we allowed to see the Union  
5 finances?

6 A. No.

7 Q. For the Phoenix Base, were you allowed to see  
8 the Union finances?

9 A. Well, she wouldn't ever show up to show me.  
10 And the day that she did show up to show me, I flew in,  
11 I lived in Honolulu at the time, I flew in, I dropped a  
12 trip, I went to the airport, I had my witness and she  
13 showed up with basically nothing. Like, she showed up  
14 with the -- just the summaries, which I'd already seen  
15 at national after she was ignoring me. So it was -- it  
16 was -- it was a loss to -- financial loss to me.

17 Q. Okay. Were you allowed to see the APFA  
18 National Union finances?

19 A. We went down and we were showed over, you  
20 know, all -- they were all spread out, because I --  
21 we'd asked for three years. We'd asked for three years  
22 and so we started to -- went down to see that, but we  
23 didn't really understand what we were looking at. I  
24 mean, I -- I didn't. But then we had asked on that  
25 visit if -- about the furniture. Like, we were asking

1 about inventory and we were asking about, you know,  
2 like, we really wanted to see the credit card receipts.

3 I mean, I'm sorry, but I -- you know, it  
4 says right there in the Constitution that we're allowed  
5 to see all financials. So -- and they wouldn't show it  
6 to us. But we were allowed to see summaries and that  
7 kind of thing.

8 Q. So when you were looking at this -- this table  
9 of documents, who's in the room with you?

10 A. It was you, Liz Geiss, Craig Gunter, oh, and  
11 he was the National Treasurer, and she was the National  
12 Vice President at the time.

13 MS. LEE: Let's take a minute to confer.

14 Q. (BY MS. LEE) Do you remember what years --  
15 what three years were presented?

16 A. I think it was -- it was -- it was three  
17 years. It was --

18 Q. Okay.

19 A. -- it was a three year look back, that's  
20 basically --

21 Q. I'm going to rephrase that. Do you remember  
22 what administrations were included in that three year  
23 look back?

24 A. Oh, sure. It was the Ross administration and  
25 then maybe a couple -- maybe a -- I don't know, maybe

1 some Laura Glading stuff. No, I mean, it was because  
2 it was a three year look back, so yeah. So...

3 Q. So the Ross administration --

4 (Simultaneous speaking.)

5 A. And the Glading administration.

6 Q. -- was there and then a portion of --

7 A. Well, some of the stuff they brought out was  
8 from their term. I -- I'm -- yeah.

9 Q. And so --

10 A. I mean, it was a long time ago, so --

11 Q. Okay. So do you agree that a portion of it  
12 was from the Ross administration and a portion --  
13 portion of it was from the Bassani administration?

14 A. I don't really recall because I --

15 Q. Okay.

16 A. -- I -- to be honest, I don't --

17 Q. If you don't --

18 A. -- really recall.

19 Q. -- know, you don't know?

20 A. Yeah.

21 Q. Do you remember you were looking at these  
22 papers and realizing there was a difference in the way  
23 the monthly finances for the Officers were presented  
24 from administration to administration?

25 A. Um...

1 Q. If you don't remember, you don't remember?

2 A. I don't remember.

3 Q. Okay. We'll move on. So when you were  
4 allowed to finally see the Union finances, who was the  
5 President and who was the Treasurer at the time?

6 A. It was Julie Hedrick and Erik Harris.

7 Q. Do you remember what you were allowed to see?

8 A. We were allowed to see the exit package and  
9 then we were allowed to see the credit cards and then  
10 we were allowed to see, like, all documents, financial  
11 records.

12 Q. Okay. Did you request from Mr. Gunter to see  
13 the underlying documents, meaning the receipts, weekly  
14 credit cards, etcetera, based on what you saw that day  
15 with --

16 A. But from the Bassani administration? Yes,  
17 I --

18 Q. Yes.

19 A. -- did.

20 Q. What happened?

21 A. We eventually -- we went down a couple more  
22 times. We eventually got to see things, but I mean, we  
23 couldn't see -- with that administration, yes.

24 Q. With that administration, I'm talking the Ross  
25 administration.

1 A. Oh, no, I didn't see -- no. No. No.

2 Q. Did you ask to see the credit card at least --  
3 or the credit card receipts, speaking on the Gunter,  
4 the Ross administration, did you ask to see the credit  
5 card receipts, the underlying documents?

6 A. Wait, is this for Ross or Gunter?

7 Q. Ross administration.

8 A. Ross.

9 Q. Did you ask --

10 A. I -- I -- I might have wrote a letter maybe  
11 once asking to -- I mean, maybe. I don't know. That  
12 was, like, six --

13 Q. But did you ask to see the inventory list?

14 A. Yes.

15 Q. Did you ask to see the mileage for Smarts --

16 A. Yes.

17 Q. -- Sarnacki and Babi?

18 A. Yes.

19 Q. Did you see it?

20 A. Eventually.

21 Q. Did you see it that day in that meeting?

22 A. No.

23 Q. So you considered it important to your  
24 investigation to see those things, right?

25 A. Well, to me it turned out -- I mean, Wanda



1 Sarnacki, the -- the Charlotte Base President, she  
2 turned out to live, like, 1.6 miles from the house, her  
3 house, and so she had to (unintelligible) like eight  
4 grand. So I -- I -- it -- it was for mileage. So --  
5 and quite frankly, I truly believed my Base President  
6 was doing the same thing. I mean, when somebody  
7 avoids, that's evasive, I mean, it makes you more  
8 curious, so...

9 Q. Okay. We're going to move on, away from that.  
10 When you were trying to see -- away from your Base  
11 President. When you were trying to see this  
12 information, financial documents, credit card receipts,  
13 those things, when you were trying to see this  
14 information, were there provisions of the Constitution  
15 you were -- you were relying upon?

16 A. Yeah, Constitution.

17 Q. Did you file charges against anyone over the  
18 failure to provide information?

19 A. The Treasurer, Craig Gunter, because he kept  
20 -- he wouldn't -- yes, I did, Craig Gunter in --

21 Q. And --

22 A. -- that administration.

23 Q. And did those charges go to a hearing?

24 A. They were going to but, however, we didn't  
25 know to ask for a remedy. It was something we'd never

1 done before. We didn't know to ask for a remedy. All  
2 we asked to see, like, was to view them and once we got  
3 to view them, I mean -- I mean, there's really no  
4 charges. I mean, he left office and -- yeah.

5 Q. Did there come a point where you were able to  
6 see the underlying documents?

7 A. Yes.

8 Q. When was that?

9 A. I -- do you remember? I don't remember.

10 Q. Who was President?

11 A. Oh, Julie Hedrick.

12 Q. When did the Hedrick administration start?

13 A. That would be, I think, a year ago. A year  
14 ago. Do I have to be date specific?

15 Q. Okay. So April 2020, you're close. Can you  
16 explain how you came to see them?

17 A. Yes. We came down to national and we went  
18 into the unity pays room, sat with the lawyer and Erik  
19 and I believe actually all four National Officers were  
20 there that day and the lawyer and then they showed us  
21 everything. And then it started because there was so  
22 much stuff and then it was, like, I want -- you know,  
23 you see one thing and then that one thing leads to -- I  
24 mean, so it was, you know, a lot of boxes.

25 Q. Approximately how many times did you go down

1 there?

2 A. Erik says five or 10, but I always thought it  
3 was more. So I mean, I -- maybe.

4 Q. How many hours did you stay there each time?

5 A. Like 12 to -- because I would fly in. I'd fly  
6 in and then I would -- you know, you're in there and  
7 time just slips away. So I mean, probably eight or 10  
8 hours.

9 Q. Can you explain the process for arranging a  
10 time to see the information?

11 A. So you write the Treasurer and, you know, if  
12 your schedule is available, his schedule is available,  
13 then you go in.

14 Q. Did you receive any funds from the Union to go  
15 down there?

16 A. No.

17 Q. Did you go on your own time?

18 A. Yes.

19 Q. Did you lose flight pay --

20 A. Yes.

21 Q. -- going down there? Did you drop trips --

22 A. Yes.

23 Q. -- in order to go down there? Did the Union  
24 provide hotels?

25 A. No.

1 National Officers' ones. It's what they put on the --  
2 it's like a -- it's like a clock-in sheet for every  
3 day. So you write what -- what you've done or you type  
4 it or whatever. It's like a calendar of what you do.

5 Q. In looking at the credit card charges for Mr.  
6 Vargas, how many restaurant charges were there, just  
7 approximately?

8 A. I want to say like a hundred and fifty --

9 Q. Restaurant --

10 A. -- maybe --

11 Q. -- charges?

12 A. -- more. Maybe more. I mean, I've got it --

13 Q. Okay.

14 A. -- written down.

15 Q. So it could be, though, he charged those,  
16 those were charged for other individuals, reps --

17 A. Yes.

18 Q. -- under his card?

19 A. Yep.

20 Q. One second, please. Can you turn to Exhibit  
21 23, please? Do you have it in front of you --

22 A. Yes.

23 Q. -- Ms. Chinery?

24 A. Yes.

25 Q. Do you recognize this document?

1 A. Yes.

2 Q. Please tell me what it is.

3 A. This is a demonstrative exhibit and this is  
4 a -- from the receipts in here, the weeklies in here,  
5 and the location of where they were on the weeklies.  
6 This is basically a chart of the --

7 MS. MORGAN: Objection. Who created  
8 this document?

9 THE WITNESS: Myself.

10 MS. LEE: You know what, I -- I -- we're  
11 going to -- we can pause the --

12 THE ARBITRATOR: Let her -- let her ask  
13 the questions.

14 Q. (BY MS. LEE) Continue.

15 A. And basically it's just a compilation of where  
16 and what they were eating and basically it's everything  
17 that's in here, it's on here. It's in the weeklies,  
18 the monthlies -- oh, not the monthlies, excuse me, the  
19 credit cards.

20 Q. Did you prepare -- did you prepare this  
21 document?

22 A. Yes, I did.

23 Q. Where --

24 A. It took forever.

25 Q. Where did you get the information for each of

1 these documents?

2 A. So I would get -- I would take the weeklies  
3 and, you know, put the day of the week and then the  
4 location where they were and then I would put the --  
5 where the restaurant was and I would match it up.  
6 That's how we found out about --

7 Q. Okay. So you prepared this document with the  
8 Exhibit 1 and 2?

9 A. Yes. It took 10 days.

10 Q. All right. So we got the information from the  
11 columns from one and two compared against the receipts?

12 A. Yes.

13 Q. Okay. Again, what are the weeklies?

14 A. The weeklies are basically time stamped of  
15 what they're doing that day, the -- that's their  
16 calendar.

17 Q. Okay. I want you to look at your Exhibit 23.  
18 So we're going to start at the first column.

19 A. Okay.

20 Q. What does the first column tell us?

21 A. That's the day of the week it was.

22 Q. Day of the week. And this second column?

23 A. The date.

24 Q. The third column?

25 A. The location.



1 Q. So the location --

2 A. Of where they were.

3 Q. That day?

4 A. Yeah.

5 Q. What if it's blank?

6 A. Then we don't know.

7 Q. So if, I'm just going to pick a random day  
8 here, Thursday, on a Thursday if everything across here  
9 is blank but it says Villa Grande, 3053, we don't know  
10 where that person was?

11 A. Correct.

12 Q. Okay. So we have in the third column  
13 location. And in our fourth column, what is that?

14 A. That's the restaurant name.

15 Q. The restaurant name. What's the next column?

16 A. The amount.

17 Q. The amount that was spent at that restaurant.  
18 Next column?

19 A. The receipt and if -- if there is one, yes or  
20 no.

21 Q. Pardon me?

22 A. If there is a receipt, yes or no.

23 Q. Okay. And the next column?

24 A. Who attended. The names of the --

25 Q. Was --

1 A. -- people that -- who attended.

2 Q. -- would you look at -- okay. Look at your  
3 document.

4 A. I -- I -- I am.

5 Q. Okay.

6 A. And who attended.

7 Q. Why are some -- so many blank?

8 A. Because there's no names on them.

9 Q. Okay. The -- the last column, what's it say?

10 A. Reason stated. If there was a reason --

11 Q. What does --

12 A. -- stated.

13 Q. -- that mean?

14 A. If there was a reason stated.

15 Q. There's a lot of blank spaces there, isn't  
16 there?

17 A. Yes, there is.

18 Q. Okay. Before I continue, I want to ask you,  
19 when you were filling this out, some of these dates are  
20 on weekends, correct?

21 A. Yes.

22 Q. So how long -- how many months did you prepare  
23 this chart for?

24 A. Well, it's -- yeah, it's the whole time in  
25 office.

1 Q. Okay. So look at the -- look at the front,  
2 what's the -- what's the first date on there?

3 A. Hmm.

4 Q. The first entry?

5 A. May 9th.

6 Q. What -- what year?

7 A. 2016.

8 Q. The last entry?

9 A. May 25th, 2018.

10 Q. Okay. I want you to turn to the last page.

11 In the -- the very last bottom, you'll see a number

12 there. Would you read that number?

13 A. \$10,945.28.

14 Q. So what is that?

15 A. Represents how much he spent with the credit

16 card on food.

17 Q. Okay.

18 MS. LEE: I move to admit Exhibit 23 into  
19 the record.

20 MS. MORGAN: Objection.

21 THE ARBITRATOR: What is the objection?

22 MS. MORGAN: The objection is there's no  
23 way to verify the math. The -- the date, they have the  
24 credit cards and the receipts, just like we have the  
25 documents, these are handmade documents by them.

1 THE ARBITRATOR: If I remember right, I  
2 think she said she matched it up with Exhibit CL-1 and  
3 2.

4 MS. CHINERY: That's correct.

5 THE ARBITRATOR: So --

6 MS. MORGAN: We can't verify that it is  
7 what she --

8 (Simultaneous speaking.)

9 THE ARBITRATOR: I'm going to overrule  
10 the objection, receive it into the record.

11 Q. (BY MS. LEE) So this -- during this period  
12 of this chart, Exhibit 3 -- I'm sorry, 23, was Mr.  
13 Vargas receiving guaranteed MEA?

14 A. Yes.

15 Q. The food chart exhibit you just walked through  
16 includes meals purchased on Mr. Vargas' credit card,  
17 correct?

18 A. Yes.

19 Q. How many meals did you count?

20 A. Around a hundred and fifty.

21 Q. And the total cost of the meals again?

22 A. \$10,945.28.

23 Q. And not all meals were eaten by him, correct?

24 A. No.

25 Q. Are there other meals in the records bought

1 Q. Did you see food purchases?

2 A. Oh, there were food -- they -- they were for  
3 food, yes.

4 Q. On the direct billing, did it normally state a  
5 reason why? EC Christmas party or did it tell you why?

6 A. Not really, but those weren't --

7 Q. Okay.

8 A. -- on the direct -- I mean, those really  
9 weren't direct bills, so --

10 Q. Were you able to view petty cash?

11 A. That didn't come through.

12 Q. Okay. Does the policy manual allow an Officer  
13 to take both guaranteed meal expense and actual meal  
14 expense?

15 A. No.

16 Q. And in looking through these financial  
17 records, when Mr. Vargas actually charged a meal, did  
18 he reduce guaranteed meals for the day, for that day?

19 A. No.

20 Q. Where would you find that information?

21 A. That was on the weekly.

22 Q. Okay. If you don't know the answer to this,  
23 don't, it's fine, but I'm going to ask you, did you  
24 tally up how much Vargas received in MEA, which is  
25 guaranteed meal expenses, at the same time he's

1 claiming actual meals?

2 A. I'm not an accountant, so I -- I'm not  
3 qualified to give a -- an exact number. It was just  
4 excessive and to -- so...

5 MS. LEE: Thank you, Melissa. We're  
6 finished questioning this witness.

7 THE ARBITRATOR: Okay. Cross?

8 CROSS-EXAMINATION

9 BY MS. MORGAN:

10 Q. You stated that Eugenio ran on a slate with  
11 Marcy, Nena and Bob, correct?

12 A. That's correct, yeah.

13 Q. Do you know that's not true?

14 A. I thought they all -- well, actually when --  
15 when they all funneled out, I thought they all came  
16 together.

17 Q. No, you stated they ran on a slate, that is  
18 not true, correct?

19 MS. LEE: Asked and answered, objection.

20 MS. MORGAN: No, she did not answer  
21 that.

22 A. Well, I don't know if I said that -- I -- I  
23 don't know.

24 Q. (BY MS. MORGAN) You did say that.

25 A. I mean --

1                   IN THE MATTER OF THE ARBITRATION BETWEEN  
2   MELISSA CHINERY, Member                   ) BEFORE THE ARTICLE VII  
   And   )  
3   SANDRA LEE, Member                         )  
   ) ARBITRATOR  
4   AND   )  
   )  
5   EUGENIO VARGAS, Member                   ) HON. RUBEN R. ARMENDARIZ

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SEPTEMBER 16, 2021

VOLUME 3

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BE IT REMEMBERED that on the 16th day of  
September, 2021, the above cause came on for hearing  
before HON. RUBEN R. ARMENDARIZ at the WESTIN IRVING  
CONVENTION CENTER AT LAS COLINAS, 400 West Las Colinas  
Boulevard, located in the City of Irving, County of  
Dallas, State of Texas, whereupon the following  
proceedings were had.



A P P E A R A N C E S :

HON. RUBEN R. ARMENDARIZ  
LABOR MANAGEMENT ARBITRATOR  
29010 Pfeiffers Gate  
Fair Oaks Ranch, Texas 78015  
PHONE: 210.379.0860  
EMAIL: arbruben@gmail.com

APPEARING AS THE ARBITRATOR

MS. MELISSA CHINERY  
EMAIL: Melchinery@aol.com

AND

MS. SANDRA LEE  
EMAIL: SEL27995@gmail.com

APPEARING FOR THE CHARGING PARTIES

MS. HEIDI J. MORGAN  
EMAIL: heidimorgan65@gmail.com

AND

MS. NENA MARTIN

APPEARING FOR THE CHARGED PARTY, EUGENIO VARGAS

\* \* \* \*

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1 THE WITNESS: Thank you.

2 THE ARBITRATOR: Your next witness?

3 MR. DELAHUNTY: Do you want me to get  
4 him?

5 MS. MORGAN: Yes.

6 THE ARBITRATOR: I'm Ruben Armendariz;  
7 I'm the Arbitrator in this proceeding. Would you  
8 raise -- raise your hand?

9 (Witness sworn.)

10 THE ARBITRATOR: Please have a seat.  
11 State your name and your position for the record.

12 MR. GUNTER: Craig Gunter, former  
13 National Treasurer of APFA.

14 THE ARBITRATOR: Okay. Go ahead.

15 CRAIG GUNTER,  
16 having been first duly sworn, testified as follows:

17 DIRECT EXAMINATION

18 BY MS. MORGAN:

19 Q. Good morning.

20 A. Hey.

21 Q. When you were Treasurer of APFA, do you recall  
22 how many times Ms. Chinery and Ms. Lee came to APFA to  
23 view documents?

24 A. Not exactly, but probably about four or five.

25 Q. Make sure she can hear you.

1 THE WITNESS: Oh, can you hear me?

2 THE REPORTER: Kind of.

3 THE WITNESS: Okay. I can't hear  
4 anything, so...

5 Q. (BY MS. MORGAN) Isn't it true 7G 1 of the  
6 APFA policy manual states: Members may view financial  
7 records through their Base President or the office of  
8 the Treasurer and that no copies are permitted to be  
9 made?

10 A. That's true.

11 Q. Okay.

12 A. That's true.

13 Q. Backing -- backing up, tell us your  
14 educational background, please.

15 A. I have a double major in Accounting and  
16 Business Administration and a Master's of Taxation.

17 THE ARBITRATOR: Master's of what?

18 THE WITNESS: Taxation.

19 THE ARBITRATOR: Taxation.

20 Q. (BY MS. MORGAN) Did you ever leave the room  
21 when you met with Ms. Chinery and Ms. Lee?

22 A. Not without someone else being in the room.

23 Q. Who else was present in those meetings?

24 A. There were a few meetings with different  
25 people. One was with, I can't remember her name, she

1 Q. Do you know how many administrations those  
2 three years covered?

3 A. Well, '16 would have covered the Laura  
4 Glading's, the end of Laura Glading's, and then the Bob  
5 Ross and starting into our administration.

6 Q. So that's three administrations?

7 A. Correct.

8 Q. Would it be a correct statement to -- if I  
9 said that we looked through all three of those member  
10 -- those administrations equally?

11 A. Yes.

12 Q. Thank you. Craig, Ms. Martin says they  
13 repeatedly asked you for recalculations of the formula  
14 and you wouldn't respond to the request. Isn't it true  
15 that you did a PowerPoint presentation showing in great  
16 detail how the payouts were calculated and the correct  
17 amount?

18 A. Yes.

19 Q. And Ms. -- and when Ms. Martin requested  
20 you -- you review the calculations again, your office  
21 did, in fact, review the calculations and determine  
22 that your calculations were correct?

23 A. Correct.

24 Q. And did Ms. Martin ask you to set up a  
25 conference call with the Board to talk to Eugenio

1 Vargas because they did not trust your calculations?

2 A. Yes.

3 Q. And you did. The attorneys and other -- and  
4 did you and other -- excuse me. And did you, the  
5 attorneys, and other BOD members interview him?

6 A. I was not on the call. They set a call up,  
7 but I was not on the call.

8 Q. Okay. Do you know if he admitted that he  
9 calculated the amounts using the additional income  
10 added into the salary amount?

11 A. I'm sorry, can you just repeat --

12 Q. Okay.

13 A. -- that one more time?

14 Q. Did Mr. Vargas admit to you that he calculated  
15 the amounts using the additional salary, the additional  
16 income added into the salary amounts?

17 A. Yes.

18 Q. And he also admitted -- admitted -- admitted  
19 that he knew that past practice did not use this  
20 calculation, correct?

21 A. Yes.

22 Q. Did he admit that he directed the accountant  
23 to use his calculations and the accountant was not  
24 comfortable in doing so?

25 A. Yes.



1 Q. After verifying the calculations and  
2 interviewing Mr. Vargas, didn't -- didn't the Board  
3 pass a resolution demanding repayment?

4 A. Yes.

5 Q. But Ms. Martin and Ms. Dunaway kept emailing  
6 you and the Board and questioning -- questioning the  
7 calculations, correct?

8 A. Correct.

9 Q. Didn't they -- didn't they email the entire  
10 Board, that they -- that they were writing you and Base  
11 Presidents and deleting the Presidents, Vice President,  
12 and National Secretary from all the emails?

13 A. Yes.

14 Q. At some point after this, legal counsel took  
15 over all communications with Ms. Martin and Ms. Dunaway  
16 and Mr. Vargas and provided them with a paper copy of  
17 the calculations and additional documents that they  
18 requested to verify the amounts, correct?

19 A. Correct.

20 Q. And Ms. Martin had requested to you and a  
21 portion of the Board to set the meeting with the  
22 turner -- attorneys and the auditor in Fort Worth to  
23 review these calculations again, correct?

24 A. Correct.

25 Q. Did you set up this meeting?

1 A. Yes.

2 Q. And at the meeting, the auditor's office  
3 identified that their numbers were off, not yours?

4 A. Correct.

5 Q. Because they had included profit sharing and  
6 grand slam payouts as salary, correct?

7 A. Correct.

8 Q. But again APFA's calculations were correct?

9 A. Correct.

10 Q. Okay. Just a few more questions from me.  
11 Didn't Mr. Vargas provide retroactive payments using  
12 his calculations of additional incomes added to the  
13 salary starting at his administration and not to any of  
14 the other previous administrations?

15 A. Yes.

16 Q. So again, Ms. Martin, Ms. Dunaway did send  
17 numerous emails questioning your calculations and after  
18 responding several times, providing them with the  
19 calculation documents, providing pay documents they  
20 requested and interviewing their Treasurer, they only  
21 wanted to pay back the incorrect calculations and not  
22 APFA's correct calculations, correct?

23 A. Who did you say on that?

24 Q. I'm going to read it again.

25 A. Okay.

1 Q. So they only wanted -- they only wanted to pay  
2 out -- Ms. Martin and Ms. Dunaway, they sent several  
3 emails to -- or numerous emails to you requesting your  
4 calculations?

5 A. Correct.

6 Q. Okay. And after responding several times,  
7 providing them the calculation document, providing pay  
8 documents, they requested an interview with their  
9 Treasurer, they only wanted to pay -- pay back the  
10 incorrect calculations that involved the -- the  
11 difference between their calculations and APF's  
12 calculations; does that make sense?

13 A. Yes.

14 Q. Okay.

15 A. And that's correct.

16 Q. Thank you. And when your office and legal  
17 counsel maintained the calculations were correct and  
18 basically stirred up doubt on the board, didn't they?

19 A. Yes. Correct.

20 Q. And one last question -- a couple. Did Ms.  
21 Dunaway come to your office and try to get you to agree  
22 to a settlement of a lesser amount?

23 A. Yes.

24 Q. And all these -- all these questions and  
25 recalculations and interviews lasted over a period of

1 about four months?

2 A. Correct.

3 Q. So finally in December 2019, the executive --  
4 Executive Committee had to threaten to file a lawsuit  
5 if they did not pay it back within 30 days, correct?

6 A. Correct.

7 Q. And shortly after that resolution was passed  
8 by the Executive Committee, Ms. Martin paid the full  
9 amount?

10 A. Correct.

11 Q. Ms. Dunaway and Mr. Vargas set up a payment  
12 plan to repay the money, correct?

13 A. Correct.

14 MS. LEE: Thank you, Craig. Melissa's  
15 going to keep going.

16 Q. (BY MS. CHINERY) You were National Treasurer  
17 following Mr. Vargas?

18 A. Correct.

19 Q. And you were given a transition month when you  
20 took office?

21 A. Correct.

22 Q. And did he review documents during his  
23 transmission -- transition month with you?

24 A. Correct.

25 Q. And during the transition month, did Mr.

1 Vargas show you dock -- show you documents on -- on the  
2 inventory of the furniture?

3 A. No.

4 Q. When you -- was there any furniture when you  
5 took office?

6 A. There was no furniture in the storage units.  
7 There was furniture still because --

8 (Coughing.)

9 A. -- (unintelligible) communication that was  
10 still --

11 (Coughing.)

12 A. -- (unintelligible) so there was furniture  
13 there and there was furniture in Rene -- Rene's  
14 office -- I mean, Rene's apartment. And those had been  
15 passed down from somewhere, but there was furniture  
16 there.

17 Q. (BY MS. CHINERY) When Sandra and I came down  
18 to visit to -- the first time, we asked you about the  
19 -- did -- did we ask you about the inventory?

20 A. Yes.

21 Q. Did we ask you... So out of all those reps,  
22 only two -- two apartments were left -- well, I mean --

23 A. That had --

24 Q. -- with furniture?

25 A. -- furniture.

1 Q. Were they full? A lot of furniture? A --

2 A. Yeah.

3 Q. -- little bit of furniture?

4 A. I believe that Shane Staples had a full house  
5 of furniture. Rene's house -- Rene's apartment did not  
6 have a lot of furniture and it was very old.

7 Q. And we asked you this when we came down, if  
8 there was any documentation because we wanted to see  
9 it?

10 A. Yeah.

11 Q. And you said -- was there any documentation?

12 A. There was no documentation.

13 Q. So when you took office, did you buy  
14 furniture?

15 A. I did.

16 Q. Okay. And did other staff buy furniture?

17 A. Yes.

18 Q. Okay. How much -- you've already stated about  
19 the Uncle Bob's. Okay. Did -- why did you guys have  
20 to buy furniture?

21 A. There was nothing left for us. The others  
22 were already being used in those other two apartments  
23 and there was nothing left for us to.

24 Q. Did -- did Mr. Vargas -- okay. I'm actually  
25 -- we have a sworn affidavit here from you.

1 MS. MORGAN: Objection.

2 THE ARBITRATOR: For what?

3 MS. MORGAN: She would not allow my  
4 sworn affidavit into the --

5 MS. CHINERY: Well, he's here.

6 MS. MORGAN: -- record.

7 THE ARBITRATOR: Yeah. Well, I'm  
8 going -- I'm going to allow the question to go on a  
9 little bit, see where we're going.

10 MS. CHINERY: Okay.

11 THE ARBITRATOR: Okay.

12 Q. (BY MS. CHINERY) Did Mr. Vargas -- did Mr.  
13 Vargas tell you Bob Ross did not receive the vacation  
14 formula?

15 A. That he did not receive it? Or that he did  
16 receive it?

17 Q. Did not.

18 A. Did not receive it. That conversation at  
19 Howard Mills' office, as I stated earlier, was very  
20 soft-spoken. I was a little rattled with what went on  
21 earlier, so if he did speak it at that point, I didn't  
22 understand what he was saying.

23 Q. Okay. Is it true that you stated, after  
24 reviewing the notes from the August 26th, 2019 Board  
25 meeting, I remember the conference call with the BOD,



1 Airlines Flight Attendant.

2 THE ARBITRATOR: Go ahead.

3 MS. MORGAN: Talk slowly so Melissa can  
4 hear you, okay?

5 THE WITNESS: Yes.

6 EUGENIO VARGAS,  
7 having been first duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 BY MS. MORGAN:

10 Q. How long have you been flying, Eugenio?

11 A. Almost 26 years.

12 Q. And tell us about your work experience as a  
13 Union rep.

14 A. I've been doing Union work on and off for  
15 almost 18 years. I held the position of Boston  
16 International Vice Chair at the time, Boston  
17 International Chairperson, and the position of APFA  
18 National Treasurer.

19 Q. So the things that you've been accused of are  
20 serious, so let's talk about what's in the charges,  
21 each item, okay?

22 A. Okay.

23 Q. With regard to the credit card expenses and  
24 the rental car, can you turn to Exhibit 1?

25 A. Yes.

1 THE ARBITRATOR: -- asking a question?

2 Q. (BY MS. CHINERY) All right. Did you send  
3 Rene Berthelot an email that stated that there would  
4 need to be a \$3600 --

5 MS. MORGAN: Objection. Is this a --  
6 is --

7 MS. LEE: That's all he said.

8 MS. MORGAN: -- is there an -- is -- is  
9 there an email she's talking about? We haven't seen  
10 any email?

11 THE ARBITRATOR: Did you already enter  
12 this as an email, that you're talking about?

13 MS. CHINERY: It was in document  
14 exchange, I believe. I'll move on.

15 Q. (BY MS. CHINERY) Tell us how the MEA, SAF  
16 formula came to happen. Did you do that?

17 A. What do you mean?

18 Q. Was it your idea?

19 A. What do you mean?

20 Q. Was it your idea to change the formula?

21 A. Which formula?

22 Q. The MEA, SAF for their payouts -- for your  
23 payouts?

24 A. Okay. Yes.

25 Q. And was that per policy?

1 A. If you read the policy.

2 Q. Well, did you -- did you advise the Board that  
3 you were going to do that?

4 A. I did not.

5 Q. Okay. When it came to light that that  
6 happened, did APFA legal staff tell you to get a  
7 lawyer? Bruce Lerner?

8 A. I kind of remember something about lawyer.  
9 I'm not sure if it was Bruce Lerner that said it.

10 Q. Okay. Did you tell the Board that Bob Ross  
11 did not receive that -- that formula also?

12 A. Absolutely not.

13 Q. Did you overpay Bob Ross in his vacation?

14 A. Not to my knowledge.

15 Q. Have you ever used Union money for personal  
16 use?

17 A. Can you define that a little bit? I mean,  
18 when you say Union money, exact...

19 Q. Your credit card?

20 A. Okay. For personal use?

21 Q. Uh-huh.

22 A. I did for the Madrid trip.

23 Q. And what else?

24 A. I do not recall anything else.

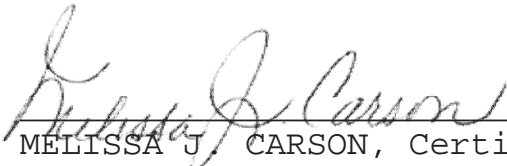
25 Q. Did any of the others, Officers --

1 STATE OF TEXAS )

2 COUNTY OF DALLAS )

3 THIS IS TO CERTIFY THAT I, MELISSA J. CARSON,  
4 a Certified Shorthand Reporter in and for the State of  
5 Texas, reported in shorthand the proceedings had at the  
6 time and place set forth in the caption hereof, and  
7 that the above and foregoing 158 pages contain a full,  
8 true, and correct transcript of the said proceedings to  
9 the best of my ability.

10 Certified to on this the 28th day of October,  
11 2021.

12  
13   
14 MELISSA J. CARSON, Certified  
15 Shorthand Reporter in and for  
16 The State of Texas



17  
18 Certification No. 1737  
19 CRCB Firm Registration #489  
20 Expires August 31, 2022  
21 CARSON REPORTING & ASSOCIATES  
22 Post Office Box 551628  
23 Dallas, Texas 75355-1628  
24 Telephone 214.346.3434  
25

**EUGENIO VARGAS, FORMER APFA NATIONAL TREASURER**

**AND**

**MELISSA CHINERY and SANDRA LEE, MEMBERS**

**ARTICLE VII CHARGES**

IN THE MATTER OF ARBITRATION  
BETWEEN

EUGENIO VARGAS,

Charged Party,

FORMER APFA  
NATIONAL TREASURER

and

MELISSA CHINERY  
SANDRA LEE

Charging Parties,

MEMBERS

Article VII Charges:  
Violations of APFA Constitution and  
APFA Policy Manual

Hearing Before:  
Ruben R. Armendariz  
Article VII Arbitrator

Ruben R. Armendariz, Chairperson  
Melissa Chinery, APFA Member  
Sandra Lee, APFA Member  
Nena Martin, Representative  
Heidi Morgan, Representative

**ARTICLE VII CHARGES-VARGAS POST-HEARING BRIEF**

Nena Martin  
[nenarott@aol.com](mailto:nenarott@aol.com)  
502-418-5346

Heidi Morgan  
[heidimorgan65@gmail.com](mailto:heidimorgan65@gmail.com)  
703-919-1665

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## **I. INTRODUCTION**

On June 19, 1991, the APFA Board of Directors overwhelmingly approved and recommended for member ratification a New Constitution for the Association of Professional Flight Attendants. It was an exciting and historic event that carried the promise of a new beginning for our Union.

The New Constitution was brought forward with the unanimous endorsement of the members of the Constitution Committee who had been appointed by the Board of Directors just six months earlier for the purpose of recommending changes to the current Constitution.

The New Constitution proposed a unique structure designed to promote internal strength and stability as it accommodated growth. It was the shared belief that the passage of the New Constitution would mark the beginning of a new era for the union. An era of decreased internal political polarization and increased strength and unity of purpose.

While the APFA Constitution had not been substantially altered since the Association of Professional Flight Attendants was founded in 1977, the New 1991 Constitution provided the same checks and balances, along with the authority to protect its members and the union. **Article VII of the Constitution was founded for this very protection.**

Article VII of the APFA Constitution was to provide the “Hearing and Disciplinary Procedures” in the event of a **willful** egregious act made against the union or its members. This



process allows members with a **legitimate** claim, to have their voices heard, exercise their rights, challenge discrimination or hold union leadership accountable. **At no time was this Article of this Constitution to be weaponized for personal and political reasons.**

On **November 20, 2020**, Members Melissa Chinery and Sandra Lee brought Article VII charges [V. Exh. 1] against former APFA National Treasurer, Eugenio Vargas, for the third time while serving in his position of APFA National Treasurer.

In this set of Article VII charges, Members Melissa Chinnery and Sandra Lee challenge the decisions of the former APFA National Treasurer, Eugenio Vargas, for misappropriation of funds [Tr.6 19-24] over two (2) years after leaving his position.

## II. STATEMENT OF ISSUE

There is no dispute that Members Melissa Chinery and Sandra Lee brought charges against the former APFA National Treasurer, Eugenio Vargas. It is also undisputed that this Arbitrator, designated by Article VII, has the jurisdiction and authority to dismiss the charges addressed. Thus, the only issue to be determined is whether former APFA National Treasurer, Eugenio Vargas, committed the following act “**willful** violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Executive Committee” of the APFA Constitution, Article VII, Section 1.F. and did Members Melissa Chinery and Sandra Lee willfully bring these charges against the former APFA National Treasurer, Eugenio Vargas, without having evidence sufficient to sustain the charges.

### III. STATEMENT OF FACTS

Eugenio Vargas began his career as an American Airlines Flight Attendant nearly 26 years ago, [Tr.611 10-11] while serving in a union elected or appointed position for almost 18 years. [Tr.611 14-18]

Serving in any union position can mean anything from enforcing the contract, maintaining a working relationship with management and generously giving your time and talents to promote the goals of our union.

APFA strives for a standard of conduct and behavior wherein **all** Flight Attendants are treated with respect and consideration. Along with an atmosphere wherein **all** Flight Attendants conduct themselves in a manner which promotes unity and strength and reflects credit to the individual, other Flight Attendants and the union.

Being able to make a positive impact is what makes working in a union position so gratifying, but it also leaves one open to the professional attacks, character assassinations and the vindictiveness we have seen in this case without just cause.

There is an underlying theme with Members Melissa Chinery and Sandra Lee and that is a fundamental need for political recognition and when that is not achieved, those who stand in their way become the target of deliberate and sustained attacks that aim to destroy the credibility and reputation of the person in relation to their union career.

Members Melissa Chinery and Sandra Lee's attacks usually involve raising false accusations, planting and fostering rumors, and manipulating information to discredit the individual.

Member Melissa Chinery, in March 2017, after running a dirty campaign for APFA Base President in the crew base of Philadelphia (PHL) and losing, filed a federal lawsuit in U.S District Court in Philadelphia, Pennsylvania (Case 2:16-cv-02697) alleging American Airlines failed to enforce its social media policy barring online slurs and insults by employees, including on private accounts and failing to discipline the online harassers.

Member Melissa Chinery claimed the bullying and harassment occurred on Facebook and online accounts where thousands of airline workers talk to each other. U.S. District Court, Judge Eduardo Robreno, dismissed the case on August 27, when he granted American Airlines motion for summary judgment. An appeal was filed but for the foregoing reasons, the Court of Appeals affirmed the District Court's grant of summary judgement to American Airlines.

Following that same pattern of bullying and harassment, Member Melissa Chinery on March 1, 2019, after running another dirty campaign for APFA Base President in the crew base of Phoenix (PHX) and losing, started to wage a vicious email campaign against the newly elected Base President, Mischel Babi, which involved the entire APFA Board of Directors.

Member Melissa Chinery was able to validate her level of bullying and harassment, when reading into the record her email exchange [Tr.494 18-Tr.496 7] with Ms. Babi.

When former APFA National President, Bob Ross, did not accommodate Member Melissa Chinnery's insistent request for an appointment with his administration, compounded by her friend not receiving an appointment on the APFA Executive Committee, it comes as no surprise she began a self-imposed reign of terror directed at the entire Ross administration, though not running together on the same slate.

A vow made publicly against former APFA National President, Robert Ross, on Social Media/Facebook by Member Melissa Chinery stating **"I will work tirelessly to make sure you are out of office"**, was the beginning of a journey that has continued since April 2, 2016. An attack that was fueled by a desire of revenge after a personal rejection. These professional attacks have gone too far and have now led to financial harm to all parties, including our union.

The incredible irony in this case are the claims and actions of Member Melissa Chinery. The alleged actions from her co-workers of bullying and harassment cited in her lawsuit against American Airlines, are the very same behavioral traits she has exhibited since April 2, 2016, regardless of fact.

Member Melissa Chinery expressing a negative opinion or sharing an embarrassing story about former APFA Treasurer, Eugenio Vargas is not the same as making false and defamatory statements that have cost him his credibility and professional reputation.

Armed with the power of truth, testimony, and documentation, we will continue to provide a clear picture of the facts in this post hearing brief, substantiating the false accusations against former APFA National Treasurer, Eugenio Vargas for a **"Willful Violation"** of the **"Misappropriation of Funds"**. [Tr.6 19-24]

#### **IV. APFA CONSTITUTION PROVISIONS CITED IN CHARGES**

##### **Article VII. Section 1. GROUNDS FOR CHARGES:**

Any member is subject to fine, suspension or expulsion, or suspension from or removal from office, for any of the following acts:

- A. Failure to pay dues, assessments or penalties levied by the Association.
- B. Advocating, or working toward, the displacement of the APFA as bargaining representative (providing that advocating, or working toward an affiliation, merger or federation of the APFA pursuant to Article XII of this Constitution shall not be grounds for discipline);
- C. Willfully acting as a strike breaker during any work stoppage duly authorized by the Association; (1) Notwithstanding Section 1.C, above (which provides as a grounds for charges willfully acting as a strike breaker during any work stoppage duly authorized by the Association) APFA shall not process any charge of willfully acting as a strike breaker during the November 1993 strike against American Airlines.
- D. Willful violation of a Flight Attendant's Collective Bargaining Agreement
- E. Theft or embezzlement of Association monies or property
- F. **Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee**
- G. Willfully acting in a manner that causes the Association to violate its legal obligations; or
- H. Willfully bringing charges without reasonable basis against another member, officer, or representative of the Association, should such charges be dismissed for any reason by the Article VII Arbitrator designated herein, or should such charges not be sustained by the Article VII Arbitrator.

##### **Article I. Section 7. DEFINITIONS:**

As used in this Constitution, the following words or terms shall mean:

- E. **"Duty"** means an obligation of performance, care or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.
- M. **"Privilege"** means a benefit or advantage enjoyed by a person in any position or fiduciary capacity with or as a member of the APFA.
- O. **"Responsibility"** means an obligation to answer for a duty to act or a failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.
- Q. **"Rights"** means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.

**Article II. Section 2. OBLIGATIONS OF MEMBERS:**

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from, or amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties, and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties, and responsibilities.

**V. APFA POLICY MANUAL PROVISIONS CITED IN CHARGES****Section 5.G.1. Trip Removal and Expense Policy – Other Expenses**

1. Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him / her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.

**Section 5.F.5.a. Trip Removal and Expense Policy – Meal Expense / Allowance**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
- (1) Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to limitation or revocation of this privilege.
- (2) The reimbursement of a Business-Related Expense shall not count against a representative's MEA.

## VI. ARGUMENT

### A. The Standard in an Article VII Charge / Willful Violation

The alleged violations in the Chinery/Lee vs Vargas Article VII charges are cited under Article VII, Section 1.F for the “**Willful** violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee.

By definition, were the actions of the former APFA National Treasurer, Eugenio Vargas deliberate, intentional, premeditated or calculated regardless of the consequences or effects? Were they not accidental or done deliberately with disregard to the APFA Policy Manual or APFA Constitution.

The alleged APFA Policy Manual and APFA Constitution violations, brought forward as Article VII charges by Members Melissa Chinery and Sandra Lee against former APFA Treasurer, Eugenio Vargas was not **willful**.

Mr. Vargas realizes that taking a defensive attitude in these Article VII charges only provides an illusion of safety, but in reality, defensiveness is disempowering. It keeps you in a reactive position, where you only react to something that has already happened in the past but shifting into accountability places you in an active posture and provides the power to impact the future. Mr. Vargas takes full responsibility for his actions and has provided his full support in these charges.



**B. Members Melissa Chinery and Sandra Lee bear the burden of proof in proving misappropriation of funds.**

In these Article VII charges the “Burden of Proof” belong to the “Charging Parties”, Members Melissa Chinery and Sandra Lee. This is where the thoroughness of their investigation becomes critical.

The former APFA National Treasurer, Eugenio Vargas is “innocent until proven guilty”. Members Melissa Chinery and Sandra Lee have made the allegations and must demonstrate the validity of those allegations.

There are three (3) burdens of proof generally recognized as available to a deciding Article VII Arbitrator when determining guilt.

- Preponderance of the Evidence
- Clear and Convincing Evidence
- Beyond a Reasonable Doubt

The obligation to present and meet this criteria has **not** been met by the “Charging Parties”, Members Melissa Chinery and Sandra Lee.

**C. Credit Card Expense – union credit card used for personal use / rental car.**

In these Article VII charges former APFA National Treasurer, Eugenio Vargas was charged with the willful violation of APFA Policy Manual, Section 5.G. – Trip Removal and Expense Policy – Other Expenses, with regard to the inadvertent charging of a rental car in Madrid, Spain on August 11, 2016, while on a personal vacation with his spouse.

The APFA Policy Manual Section 5.G states in part:

Section 5.G.1. **Trip Removal and Expense Policy – Other Expenses**

Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him / her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.

Members Melissa Chinery and Sandra Lee proclaim “**these purchases violate: Policy Manual Section 5.G: Business Related Expenses**”, [V. Exh. 1] yet “**Business Related Expenses**” are defined in **Policy Manual Section 5.F.5**.

The charging parties cite **Policy Manual Section 5.G**. in support of their Article VII charges, when the referenced section of the Policy Manual actually applies to “Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed”.

Not only was this an invalid citing of the APFA Policy Manual but an indication of their lack of understanding of said policy and it’s interpretation, while arguing inaccurate and irrelevant points to support their charges.

Former APFA National Treasurer, Eugenio Vargas, explains through sworn testimony, the sequence of events while on vacation in Madrid, Spain [Tr.612 5-10] pertaining to the use of the union credit card for a personal rental car reservation.

While on vacation with his spouse in Madrid, Spain, and while awaiting the keys for a rental car at the Enterprise car rental counter, Mr. Vargas handed his spouse his wallet to pay for

the rental car while he went to the restroom. Upon his return to the car rental counter the rental agreement was ready for a signature and the car ready for pick up. [Tr.612 14-24]

Not until early September did, he realized a mistake [ TR.613 4-7] had been made with the payment for the rental car while in Madrid, Spain. Mr. Vargas realized his spouse had used the APFA Chase Credit Card from his wallet instead of his personal Chase Credit Card, when paying for the car rental in Madrid, Spain. [Tr.614 1-16] [V. Exh. 19]

The following day Mr. Vargas returned to APFA with the car rental receipt and explained to the APFA senior accountant, Rene Berthelot what had happened, to which he responded “don’t worry, all you have to do is pay it back. It happens.” [Tr.614 18-23]

Mr. Vargas made a payment of \$614.20 [V. Exh. 21] to APFA on September 9, 2016, for the personal [V. Exh. 20] rental car charge made to his union credit card. [Tr.614 25]

Members Melissa Chinery and Sandra Lee fail to admit confirmation of the timely reimbursement of this charge to Mr. Vargas’ union credit card, upon becoming aware in their multiple visits to APFA, only through questioning does Member Melissa Chinery admit on the record that “mistakes happen”. [Tr.503 9-10] and if paid back, its not willful. [Tr.502 9-25]

Former APFA National Treasurer, Craig Gunter, a licensed CPA, was also questioned on the record about any personal purchases he may have inadvertently made with his union credit card, stating “I could have, but I don’t think I ever charged anything on it, but you know, they’re all in your wallet so”. [Tr.544 20-24] further stating, if I had done so “I would have gone to the accountant and said I accidentally did this. Here, let me write you a check”. [Tr.545 3-13]

Former APFA National Treasurer, Craig Gunter, also stated for the record the process for personal purchases inadvertently made on a union credit card by other officers in his administration. [Tr.545 17-25]

Current APFA National Treasurer, Erik Harris, also confirmed that the personal car rental purchase inadvertently made by Mr. Vargas on his union credit card while on vacation in Madrid, Spain was reimbursed to APFA. [Tr.377 20-25]

Longstanding APFA Budget Committee Member, Yvonne Johnston, holding a master's degree in forensic accounting [Tr.521 19-22] was questioned on her knowledge of the inadvertent rental car charge made by Mr. Vargas and the procedures that should have been followed for that type of accounting issue. [Tr.529 9-20] Mr. Vargas followed that process.

Personal purchases made by other APFA National Officers using their union credit card were identified on the record.

Former APFA National Secretary, Jeff Pharr's union credit card statements revealed multiple personal purchases. [Tr.334 1-13] Mr. Pharr's union credit card statements also expose this practice as an acceptable habit, [Tr.335 3-25] with multiple personal credit card charges along with charges identified for other union representatives. [Tr.338 10-25]

Former APFA National Secretary, Jeff Pharr had approximately eight (8) identified personal charges to his union credit card along with personal charges made for other union representatives. Mr. Pharr was subpoenaed without acknowledgement.

Former APFA National Treasurer, Greg Gunter's union credit card statements also revealed the practice of making personal purchases on his union credit card, including a wedding gift [Tr.10-14] for a UAW Staff Member on behalf of the National Officers and reimbursed by each. [Tr.15-20]

Members Melissa Chinery and Sandra Lee have never filed Article VII charges against any other APFA National Officer for inadvertently using their union credit card for a personal purchase, confirming their targeting of a person and not the practice when filing Article VII charges for misappropriation of funds against the former APFA National Treasurer, Eugenio Vargas.

**D. Meal Expense – reimbursement and union credit card meal charges.**

Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual Section 5.F., by citing **“The policy is clear that meals may only be reimbursed on rare and limited occasions when entertaining outside guests and in no instance when all participants are already receiving meal expenses. This is to prevent double dipping by having APFA pay MEA for meal expenses and then also pay for a representative's meals”**.

APFA had no policy in place on how to differentiate or separate any amount from the guaranteed MEA/SAF totals when a National Officer, Regional Representative, National Chair, or another Representative, who are authorized a full month removal and receiving guaranteed payments of MEA/SAF, is considered a host of an authorized APFA meeting.

APFA also had no policy in place until this year for a National Officer in relation to ones union credit card practice. Current APFA National Treasurer, Erik Harris clarified this fact on the record. [Tr.225 4-11] [Tr.261 12-14] [Tr.285 1-6]

APFA MIA Base President, Randy Trautman also confirmed no policies were in place for said issues. [Tr.608 7-13]

APFA National Treasurer, Erik Harris identified on the record, he himself was non-compliant with the “OLMS Law” by not providing the required information. [Tr. 296 4-9] while receiving MEA/SAF [Tr. 297 9-18] [Tr. 346 15-20] and was never charged with Article VII. [Tr. 298 8-10]

The Budget Committee meetings hosted by the APFA National Treasurer is one example of an authorized APFA meeting. It is an established practice that has been followed through the years for the APFA National Treasurer to provide lunches/dinners for their committee members.

**Examples of this practice was validated by the witnesses below:**

- Yvonne Johnston, Budget Committee Member, serving under APFA National Treasurers Eugenio Vargas, Craig Gunter, and Erik Harris [Tr.522 22-25] [Tr.523 7-25] [Tr.524 1-10]
- Craig Gunter, former APFA National Treasurer [Tr.541 14-25] [Tr.542 1-25] [Tr.543 1-22]
- Erik Harris, APFA National Treasurer [Tr. 294 17-25] [Tr. 295 1-3]

At the APFA Board of Directors Annual Convention in March 2021, APFA National Vice President, Larry Salas, put forth Resolution #10, Business Related Meals (V. Exh. 15), which provides a clear policy on reimbursement of business-related meals and group meals and entertainment expenditures. The APFA Board of Directors unanimously passed, by a vote of 11, Yes, 0 No, Resolution #10 / Business Related Meals.

This resolution secures the established practice of an APFA Representatives authorization to pay for meals of a guest/business associate when the Representative would be considered the host of an authorized APFA function or meeting, while not counting against a Representatives MEA.

**E. Duties of the Treasurer – record / inventory of purchase at Ashley Furniture .**

Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual by citing “**As Treasurer Vargas had an obligation under the APFA Constitution and federal law to safeguard union property. On one receipt dated 5/18/16 under Vargas’s union credit card charges we found a purchase for \$8733.89 at Ashley furniture. There is no record of inventory of that furniture, nor can the furniture be located. The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done**”



Eugenio Vargas took office as the APFA National Treasurer on April 1, 2016. Within the month, APFA National President, Robert Ross, appointed National Department Chairs to head the individual departments at APFA Headquarters in Euless, Texas, per the qualification requirements set forth in the APFA Constitution and APFA Policy Manual.

Following a unanimous vote by the APFA Executive Committee, Chuck Ransdale was appointed to the position of APFA National Contract Chair, Shane Staples was appointed to the position of APFA National Communications Chair and Gabby Harty to the position of APFA National Health Chair, all other National Department Chairs resided in the Dallas/Ft. Worth area.

The APFA Chase Credit Card statement dating, May 9, 2016, to June 8, 2016, reflects a purchase made by APFA National Treasurer, Eugenio Vargas, on May 18, 2016, in the amount of \$8733.89 to Ashley Furniture. This purchase was to augment what was needed for the corporate apartments for the three (3) newly appointed APFA National Department Chairs.

The G/L Acct 1246 document for Furniture & Fixtures [V. Exh. 28] provides a record of items purchased under the name of each APFA National Department Chair and amount spent. The total value of the initial charge differs due to a credit of \$104.98.

In January 2017, APFA National Health Chair, Gabby Harty tendered her resignation. APFA National President, Robert Ross appointed Kim Coats Tuck, as interim National Health Chair [V. Exh. 36] on January 17, 2017.

With 5 months [TR.626 13] remaining on the Harty apartment lease, in a cost saving measure for the union, Mr. Vargas proffers the empty furnished apartment to full time APFA Representative, Renee Mayer in lieu of her Monday-Friday hotel expenditures. [Tr.626 15-23]

APFA Office Coordinator, LaDonna Casey scheduled an appointment at the end of the Harty apartment lease with “Kiss it Goodbye”, a local consignment shop to provide APFA with an estimate for the accepted furnishings remaining in the Harty apartment. [Tr.627 14-20]  
[V. Exh. 29]

Four (4) months after receiving the furnishings from the Harty apartment, “Kiss it Goodbye” informed APFA with the total dollar amount sold by consignment. [TR.627 21-25]  
[Tr.628 1-5] APFA received \$1159.00 in payment from “Kiss it Goodbye”.

There was extensive testimony and documents exchanged regarding “Kiss it Goodbye” by both parties and the dollar amount (\$1159.00) received. [CL. Exh 15] [Tr.111 4-13]  
[V. Exh 33] [Tr.628 1-5]

Member Heather Olenjack, witness, and clerk for the charging parties, testified [Tr. 160 4-14] she was aware of the sequence of events pertaining to the Harty resignation, APFA corporate apartment, remaining lease and furniture moved to “Kiss it Goodbye” by calling and visiting the consignment shop herself, [Tr.169 1-10] yet displayed utter confusion when shown the email exchange between APFA and “Kiss it Goodbye”, total furnishings accepted, receipts, and the check for goods sold in the amount of \$1159.00 [Tr.167 1-25] [Tr.168 1-25]  
[Tr.169 1-14]

On July 2, 2018, upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for former APFA National Health Chair, Gabby Harty.

Chuck Ransdale, after being appointed to the position APFA National Contract Chair, testified [ Tr.397 2-5] that for his corporate apartment, APFA purchased bedroom furniture and mattress/box springs, including queen bed, chest, and nightstand from Ashley Furniture. [Tr.623 8-9] [V. Exh. 28]

In December 2017, APFA National Contract Chair, Chuck Ransdale tendered his resignation. The bedroom furniture purchased by APFA from Ashley Furniture was in his corporate apartment when leaving Dallas. [Tr.397 16-17]

With months remaining on the Ransdale apartment lease, in a cost saving measure for the union, Mr. Vargas proffers the empty furnished apartment to full time APFA Representative, Renee Mayer in lieu of her Monday-Friday hotel expenditures. [Tr.629 8-10]

On July 2, 2018, upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for former APFA National Contract Chair, Chuck Ransdale. The furniture remained in the APFA corporate apartment.

Shane Staples, after being appointed to the position APFA National Communications Chair, testified [ Tr.385 14-23] he was instructed to salvage any furniture he could use for his corporate apartment from a garage at the Bear Creek apartment complex, which was being used

by APFA as storage. After these items were repurposed, the Ashley Furniture items were purchased. [V. Exh. 28]

In preparation for the end of his term and transition period, APFA National Communications Chair, Shane Staples completed a detailed inventory of all furnishings in his APFA corporate apartment, which contained the contents purchased at Ashley Furniture. [V. Exh. 32] [Tr.389 17-25] [Tr.390 1-21]

On July 2, 2018, upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for former APFA National Communications Chair, Shane Staples. The furniture remained in the APFA corporate apartment.

Eugenio Vargas left his position as APFA National Treasurer on July 2, 2018, due to a re-run election. The newly elected National Treasurer, Craig Gunter, would be responsible for the chain of custody of all furniture after that date.

### **POINT OF CLARIFICATION**

Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual by citing “**The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done**”

Members Melissa Chinery and Sandra Lee have cited language from Section 8.I.3.b.(5) of the APFA Policy Manual which governs the inventory and transfer of **Office Equipment** only.

The Charging Parties have once again quoted and used invalid language to substantiate their Article VII charges against former APFA National Treasurer, Eugenio Vargas.

## **Section 8 - HEADQUARTERS POLICIES AND GENERAL PROCEDURES**

### **I. GENERAL PROCEDURES**

#### **3. Office Supplies and Equipment**

##### **b. Office Equipment**

(5) The Office of the National Treasurer shall maintain a procedure to monitor the transfer of office equipment, when appropriate, between representatives in the field.

### **F. Duties of the Treasurer – oversight of the Ross Transition Agreement.**

Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual by citing “ **Vargas failed to properly oversee Ross’ payments and allowed Ross to receive payment for MEA, SAF and Maintaining Office Outside Residence all which is not part of basic salary**”.

The APFA has an organizational structure that is two-tier, consisting of Base Presidents, who are the voting members and the four (4) National Officers, who are non-voting members. collectively they make up the APFA Board of Director.

In February 2018, Charlotte, North Carolina the APFA Board of Directors (BOD) convened for their annual convention, the **voting** Board of Directors, under strict consult of APFA Legal Counsel, Mark Richard, negotiated a “Transition Agreement”. [V. Exh. 100.A]

The negotiations were solely between the **voting** Board of Directors, APFA Legal Counsel, Mark Richard and APFA National President, Robert Ross. APFA National Treasurer, Eugenio Vargas was neither involved in the negotiations of the Ross “Transition Agreement”. [Tr.629 23-25] nor was he present in the room [Tr.630 2-3] or a signatory of said agreement. [Tr.630 4-5]

In fact, APFA National Treasurer, Eugenio Vargas, had never viewed the Ross “Transition Agreement” in its entirety, only the economic portions [Tr.630 6-22] which encompassed covenants #3, #4 and #5. There was no copy of the Ross “Transition Agreement” on file at APFA headquarters, prior to Mr. Vargas leaving office. Mr. Vargas did not benefit directly or indirectly from the Ross “Transition Agreement”. [Tr.631 18-20]

Only by virtue of the fact, that on March 1, 2018, the APFA National Treasurer **was** Eugenio Vargas, after the resignation of APFA National President, Robert Ross and **was** tasked, per Article III, Section 6.E.(1) of the APFA Constitution, with executing the Ross “Transition Agreement”, a confidential agreement that **was** negotiated by the APFA **voting** Board of Directors, does he find himself here today.

Covenant #3 of the Ross “Transition Agreement” states “APFA agrees that ROSS will continue to receive from APFA his current **full** salary and benefits, including full insurance coverage, through July 31, 2018.

Former APFA National Treasurer, Eugenio Vargas, stated for the record the difference between “**Basic Salary**” and “**Full Salary**” regarding a National Officers compensation.

[Tr.633 15-25] [Tr.634 1-19]

Former APFA National President, Laura Glading, also received “**Full Salary**” upon her exit, per the terms of her “Transition Agreement”. [V. Exh. 100.B] [Tr.634 20-21]

“**Full Salary**” for a National Officer, per the APFA Policy Manual, Section 5, entitles them to receive guaranteed MEA, SAF and Office Outside Residents payments. This guaranteed payment of \$1050 is included in the gross wages “Box 1” of the National Officers W-2 tax form.

[Tr.425 7-22]

The Charging Parties have once again quoted and used invalid language to substantiate their Article VII charges against former APFA National Treasurer, Eugenio Vargas, by quoting “**Basic Salary**” vs the actual language of “**Full Salary**” in the Ross “Transition Agreement”.

[V. Exh. 100.A]

Former APFA National Vice President/President , Marcus Gluth, stated for the record the meaning of “**Full Salary**” and how that would apply to the Ross “Transition Agreement”

[Tr.583 16-22] by stating that Ross “**gets paid basically what he would have been paid had he done the job and that was the intent of the Board of Directors. In my defense, was that Bob got nothing more or less than he would have as a President had he remained in term**”.



Mr. Gluth continues to provide clarity on the composition of “**Full Salary**” vs “**Basic Salary**” for former President Ross, stating “**full salary would include the benefits of the MEA, SAF and sick time and anything that he would have coming to him. That was the intent of the agreement, he was to get what he had coming to him as President for those five months, nothing more, nothing less**”. [Tr.590 23-25] [Tr.591 1-5]

A pertinent difference in the Glading “Transition Agreement” and the Ross “Transition Agreement” is that all members of the APFA Board of Directors (including the officers) were instrumental in the negotiations of that agreement.

APFA National Vice President, Marcus Gluth, along with the other remaining National Officers, were present, privy and included in the discussions of the Glading “Transition Agreement” and were signatories of said agreement.

Following the resignation of APFA National President, Laura Glading, similar payments to that of Robert Ross, were made to Laura Glading, per her “Transition Agreement”. Those payments were authorized by the remaining 2015 National Officers, including newly appointed APFA National President, Marcus Gluth. No Article VII charges were ever filed regarding the execution of the Glading “Transition Agreement”, against President Gluth or any other APFA National Officer. [Tr.584 23-25] [Tr.586 1-3]

The NDAs on both the Glading “Transition Agreement” and the Ross “Transition Agreement” were lifted at the same time by APFA National President, Julie Hedrick, allowing Members Melissa Chinery and Sandra Lee, to view both agreements in their entirety for any language and payment comparisons. The review of both agreements by Members Melissa

Chinery and Sandra Lee would provide the timeline needed to hold all parties culpable for the alleged improper calculations used in the Glading “Transition Agreement” and afford them with a new opportunity to continue their crusade for justice within APFA. To date, **no** Article VII charges have been filed against any member of APFA Leadership in regard to the Glading “Transition Agreement”.

MIA Base President and longstanding Board of Director, Randy Trautman, stated for the record that the Ross “Transition Agreement” was advised and negotiated by APFA Legal Counsel, Mark Richard, and parties Robert Ross and the Base Presidents. [Tr.596 1-3]

Mr. Trautman was a signatory for both the Ross “Transition Agreement” [V. Exh. 100.A] and the Glading “Transition Agreement” [V. Exh. 100.B] and identified for the record, the economic portion of both agreements.

Mr. Trautman continues to provide clarity on the APFA Board of Directors composition of “**Full Salary**” for former President Glading stating her “**Full Salary**” included her President’s Salary, SAF and related payments. [Tr.598 17-25] [Tr.599 1-8]

No Article VII charges were ever filed regarding the execution of the Glading “Transition Agreement”, against MIA Base President Trautman or any other APFA Base President.

The calculations made by Mr. Vargas was based on “**Full Salary**” as was designated in the Ross “Transition Agreement” and not “**Basic Salary**” as charged by Members Melissa Chinery and Sandra Lee. ” [V. Exh. 100.A]

Article VII charges were filed against the 2018 APFA Board of Directors by Member Julie Moyer, questioning their constitutional authority as the governing body to safeguard and protect APFA.

Julie Moyer, in her then role, as the MIA Domestic Base President, was among the signatories of the Glading “Transition Agreement” yet, Member Moyer filed Article VII charges against the 2018 APFA Board of Directors for the same actions she herself carried out in 2015, pertaining to the Glading “Transition Agreement”.

The Hearing in the Matter of Arbitration between Julie Moyer (charging party) and the 2018 APFA Board of Directors (charged party), before Article VII Arbitrator, Edward B. Valverde, Esq., was held on June 1-3, 2021, with a decision rendered on September 21, 2021.

The Award clearly determined, in line with the charged party’s defense, that Article III, Section 3.A authorizes the APFA Board of Directors to take any and all lawful action consistent with the Constitution to safeguard and protect APFA.

Arbitrator Valverde found “credible evidence” that the action of the APFA Board of Directors was permissible under the provisions of the APFA Constitution.

#### **Case: Julie Moyer vs Board of Directors (2018)**

#### **CONCLUSION**

Historically, Article III Section 3.A of the Constitution has been used by the BODs to address and contend with crises of one kind or another. Prior to recent changes, there were no specific provisions addressing the issue of resignation of national officers. In 2018, the entire BOD decided to address the crisis before it by doing that which it had done before regarding the resignation of a national officer; and in both

instances, relied on legal counsel to guide their actions. The arbitrator finds for the reasons stated above, the Charging Party's charges should be dismissed in their entirety.

#### **AWARD**

The arbitrator finds the charges are without merit for the reasons stated above, and this matter is dismissed in its entirety. Also, because the charges relate to internal union matters, the award is to remain confidential and used only as determined by the APFA (e.g., as precedent within the organization).

Date of Award: September 21, 2021

Edward B. Valverde, Esq. Arbitrator

Based on the "Award" in the case of "Julie Moyer vs the 2018 APFA Board of Directors" and the testimony heard in this case, we ask that this portion of the Article VII charges be found **INVALID** as former APFA National Treasurer, Eugenio Vargas acted upon the direction of the (voting) APFA Board of Directors, which, through the "Award" is proven to have acted within their constitutional authority under Article III, Section 3.A of the APFA Constitution.

#### **G. Duties of the Treasurer – overpayment of The National Officers sick and vacation.**

Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual by citing "**Vargas allowed the National Officers to receive thousands of dollars in overpayments for sick and vacation payouts**".

On **July 11, 2019**, Member Sandra Lee made a Facebook post on their page “Checks and Balances” that they had just returned from APFA headquarters, stating it was the second visit for Member Sandra Lee and the fifth visit for Member Melissa Chinery. The date of “**July 11, 2019**” has been used to establish timelines in multiple Article VII charges filed by Members Melissa Chinery and Sandra Lee. [V. Exh. 99]

They state that “**any information we have shared here, we uncovered by rifling through stakes of papers and asking questions**”. [V. Exh. 99]

The Facebook post stated they viewed financial records from the previous administration (Ross Administration), the Bob Ross exit package and a large series of checks written to the three previous National Officers on March 29<sup>th</sup>.

On the date of their visit to APFA headquarters on July 11, 2019, the Ross “Transition Agreement” was considered a highly confidential document (NDA) negotiated between, Robert Ross, the Board of Directors and APFA Legal Counsel, Mark Richard and perhaps even protected under attorney-client privilege, yet Members Melissa Chinery and Sandra Lee were able to view “parts of Bob Ross’s exit package”. [V. Exh. 99]

As the sitting National Treasurer in the Ross administration, Mr. Vargas was not privy to, nor had ever viewed, any parts of the Ross “Transition Agreement” except for the economic portions [Tr.630 6-9] which encompassed covenants #3, #4 and #5. There was no copy of the Ross “Transition Agreement” on file at APFA headquarters, prior to Mr. Vargas leaving office.

In fact, APFA National Treasurer, Eugenio Vargas, handled the Ross “Transition Agreement” with the same safeguards as the Glading “Transition Agreement” due to the Non-Disclosure Agreement (NDA). There was no copy of either agreement on file at APFA headquarters, prior to Mr. Vargas leaving office.

Given the neglect on APFA’s part to conduct a thorough and impartial inquiry from any member of the Ross administration on the issue, and given the distorted, incomplete and confidential information that was provided to and posted to social media by Members Melissa Chinery and Sandra Lee, **a meeting was requested on July 11, 2019**, with the APFA accountant, the APFA attorney and the APFA National Treasurer by former APFA National Vice President, Nena Martin, former APFA National Secretary, Marcy Dunaway and former APFA National Treasurer, Eugenio Vargas, to discuss any concerns APFA might have on the alleged financial issues announced on social media. [V. Exh. 99]

All members of the Ross administration were made aware of the alleged financial issues, by Member Sandra Lee’s, July 11, 2019, Facebook post and not from any member of the Bassani administration, who were the sitting APFA National Officers on July 11, 2019. [Tr.636 1-11] [Tr.191 4-25]

In a subsequent email dated July 12, 2019 (also posted to social media) by Member Melissa Chinery to APFA National Treasurer, Craig Gunter, she confirms a meeting on July 10, 2019, where she lists the check numbers and dollar amounts paid to three (3) of the former officers of the Ross administration, along with first suggestion that the alleged financial issue was that **“SAF and MEA pay was used to formulate figures for the 3 previous National Officers. These checks were issued for vacation accrual, vacation buyback, and sick**

**accrual**". [V. Exh. 99]

Former APFA National Treasurer, Eugenio Vargas used "**Full Salary**" to calculate the vacation buyback, sick buyback, and end of term calculations for the Ross administration when leaving office, which included MEA and SAF.

**After numerous request for a meeting, the first written communication on behalf of APFA was sent by In-House Counsel, Susannah Bender, to the three (3) former National Officers of the Ross administration on September 4, 2019, approximately 2 months after the original Facebook post on July 11, 2019.** [Tr.194 21-25]

The letter confirms that certain payouts made in 2018, incorrectly included MEA and SAF in the calculation. [Tr.195 19-25] The letter continues to request that the "**Union be made whole**" but still no specific dollar amount owed had been established. Not until **September 18, 2019**, was the three (3) members of the Ross administration noticed of a dollar amount owed, supported by a single sheet of paper and without documents to substantiate the claim.

Through the entire process, the APFA Board of Directors had been provided a timeline and details (by email) of the multiple requests to meet with APFA to reconcile the alleged overpayment and agreed that the parties were deserving of information as to the alleged amount owed and the calculations used. [V. Exh. 99]

LAX Base President and Board of Director, John Nikides, stated for the record that "**I was a hundred percent in support of that because I felt it was wrong to withhold documents from you**". [Tr.197 19-21] and "**Because I believe you -- the documents were**



being withheld from you all during the summer”. [Tr.198 5-6]

After approximately 60 emails between the former officers of the Ross administration, the APFA National Officers, APFA Attorney, APFA Board of Directors, 6 APFA Hotline Communications to the Membership, and 2 Special Board of Director Meetings, was a meeting with the APFA National Treasurer, Craig Gunter finally scheduled on **October 30, 2019**, to review the financial issue surrounding the July 11, 2019, social media post. [Tr.636 16-20] [V. Exh. 99]

Prior to the October 30, 2019, meeting, an independent audit was to have been conducted to establish the alleged overpayment. Regrettably, the meeting provided to be a waste of time. The amounts used in calculating the over payment could not be identified by the APFA National Treasurer, Craig Gunter or the independent auditor from Woods, Stephens, & O’Neil and far exceeded the maximums received for MEA and SAF, the premise on which the alleged overpayments were based.

APFA National Treasurer, Craig Gunter, shared documents with the three (3) members of the Ross administration that was the identical documents posted to social media by Members Melissa Chinery and Sandra Lee, containing check numbers, dates, hours, pay and our **social security numbers** visible at the top of each page.

Written communication on behalf of APFA was sent by In-House Counsel, Susannah Bender, to the three (3) former National Officers of the Ross administration on November 8, 2019, stating “**After the meeting held on October 30, 2019, to allow you to review the independent auditor’s calculations, it is our understanding that you take issue with how**

**the calculations were made. We researched the issue again and believe our initial calculation is correct”.**

As a point of clarification, in the calculations provided at the October 30, 2019, meeting, simple math was used to determine the alleged monies owed by taking “**Full Salary**” minus “**Basic Salary**”, then stating the difference was MEA and SAF. Calculating MEA and SAF in this manner was incorrect due to other income being included in the “**Full Salary**”, like the UAL Arbitration payout, which provided a pay increase with retro pay.

The three (3) former National Officers never stated they would not pay the amount owed but expected the calculation to be accurate.

LAX Base President, John Nikides, and Board of Director, continues to express his concerns in writing on December 1, 2019, that the APFA National Treasurer, Craig Gunter, make immediate arrangements to resolve this issue stating “**Craig, please meet with the parties ASAP to review the amounts owed and the calculations so we can receive payment. I know they have made a number of attempts to meet with you and have not received a response**”.

[Tr. 200 1-9]

When the issue of the alleged miscalculation in payouts for the three (3) former officers of the Ross administration was posted to Facebook on July 11, 2019, by Member Sandra Lee, MEA and SAF was identified and **confirmed** in subsequent correspondence from the APFA National Treasurer, Craig Gunter and APFA In-House Counsel, Susannah Bender, but at the December 2019, Executive Committee Meeting, Ad Hoc Member, Patrick Hancock revealed that APFA believed their calculations were correct **based on a 1987 formula invented by**

**former APFA National President, Patt Gibbs.**

In **all** APFA correspondence up until this point, MEA and SAF were identified to be the error in the calculations used by former National Treasurer, Eugenio Vargas but now, a **new formula** had been exposed, as it now supported the APFA calculation. [V. Exh. 99]

The Base Presidents were alerted to this now stated change in the APFA calculations and the **new formula** that was identified from **1987**, after 5 months of focus on MEA and SAF.

LAX Base President, John Nikides, and Board of Director, states for the record that he had no knowledge of this “**1987 formula**” now being used for the APFA calculation for monies owed. [Tr.201 1-6]

Shouldn't the APFA National Treasurer, Craig Gunter, APFA In-House Counsel, Susannah Bender, the independent auditor from Woods, Stephens, & O'Neil who confirmed the APFA calculations, or **anyone** besides one member of the Executive Committee have some understanding of this “**original formula**” calculation from **1987**? [Tr.201 13-25]

That “**original formula**” calculation was now being utilized to determine the amounts owed by the three (3) former officers of the Ross administration.

Former APFA National Treasurer, Eugenio Vargas, stated for the record that he did include “**Full Salary**” which included MEA and SAF in the calculations of vacation buyback, sick buyback, and end of term calculations for the Ross administration when leaving office. He has **never** disputed that fact. [Tr.656 15-24]

Mr. Vargas used the same “**Full Salary**” logic that was used in the calculation of the Ross “Transition Agreement” and the Glading “Transition Agreement”. He used the one and only number identified on the officers W-2 as gross wages, which include MEA and SAF in his calculations, but in actuality this calculation was irrelevant due to the fact that a “**1987 formula**” should have been used.

Members Melissa Chinery and Sandra Lee have led the membership, by their continued postings on social media, to believe that Mr. Vargas’ miscalculation was tens of thousands of dollars, when actually it totals approximately **\$12,000** between the three (3) former officers of the Ross administration.

Members Melissa Chinery and Sandra Lee have failed to notice the membership, by their continued postings on social media, that the former officers of the Ross administration tried to set up meetings from day one to meet and resolve the matter with the APFA National Treasurer, Craig Gunter, by sending over one hundred (100) emails to APFA Leadership and APFA Legal.

Members Melissa Chinery and Sandra Lee have failed to notice the membership, by their continued postings on social media, that APFA spent approximately **\$150,000** of their dues dollars on Special Board of Directors Meetings, including lodging, trip removals and food for their Base Presidents to discuss this issue, while reimbursement by the three (3) former officers would total approximately **\$12,000**.

Members Melissa Chinery and Sandra Lee have failed to notice the membership, by their continued postings on social media, that once APFA could provide a legitimate calculation (**one allegedly from 1987**), that all three (3) former officers from the Ross

Administration made arrangements to repay the miscalculations. [Tr.204 1-4]

Members Melissa Chinery and Sandra Lee have failed to provide the membership, by their continued postings on social media, with anything resembling the **truth** in this matter.

The “**July 11, 2019**” Facebook post started a chain of events that continue today against the “Ross Administration” and former APFA National Treasurer, Eugenio Vargas, including Article VII, Section 2.A. of the APFA Constitution being exercised ten (10) times against the Ross administration, **three (3) of which were against Mr. Eugenio Vargas.**

Members Melissa Chinery and Sandra Lee have become fixated on the people and not the practice, even when provided the evidence to support the truth during the Vargas hearing.

Mr. Vargas takes full responsibility for his actions involving his union credit card being used for payment of a rental car while on vacation in Madrid and has provided his full support in these charges, including the expeditious repayment to APFA.

Mr. Vargas takes full responsibility for his actions involving his union credit card being used for lunches for his Budget Committee and other business related lunches when a National Officer, Regional Representative, National Chair, or another Representative attending, are also authorized a full month removal and receiving guaranteed payments of MEA/SAF, and has provided his full support in these charges, including the acknowledgment that APFA had no policy in place until this year for a National Officer in relation to one’s union credit card practice.

Mr. Vargas takes full responsibility for his actions involving his union credit card being used for the purchases made at the Ashley Furniture store to augment what was needed for the corporate apartments for the three (3) newly appointed APFA National Department Chairs of the Ross administration and has provided his full support in these charges, including providing the supporting documents and a detailed timeline that clarifies without question, that upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for the former APFA National Department Chairs.

Mr. Vargas takes full responsibility for his actions involving his oversight and payment of the Ross "Transition Agreement" after only viewing the economic portions, which encompassed covenants #3, #4 and #5 and has provided his full support in these charges, including the mathematical determination used for "**Full Salary**" vs "**Basic Salary**" for said payments. The Ross "Transition Agreement" has been deemed valid by Arbitrator, Edward B. Valverde, and the actions of the APFA Board of Directors were permissible under the provisions of the APFA Constitution and no evidence that the APFA Board of Directors was fiscally irresponsible when entering into the Ross "Transition Agreement".

Mr. Vargas takes full responsibility for his actions involving his mathematical determination when using "**Full Salary**" vs "**Basic Salary**" to calculate the vacation buyback, sick buyback, and end of term calculations for the Ross administration when leaving office and has provided his full support in these charges, including months of correspondence between the three former officers, APFA National Officers, APFA Board of Directors, APFA In-House Counsel, APFA Executive Committee and Members Melissa Chinery and Sandra Lee, providing

a clear picture of his willingness to repay the overage, once established from the “1987 “ formula that was exposed months after the July 11, 2019, Facebook post by Member Sandra Lee. Eugenio Vargas never stated he would not pay an amount if owed, but expected the calculation to be accurate and accounted for.

## VII. CONCLUSION

Based on Members Melissa Chinery and Sandra Lee’s obvious and flawed Article VII charges, and their failure to prove their case, highlighted by the overwhelming and consistent past practice at APFA which was completely ignored, as well as all other areas having been appropriately resolved long before Article VII charges had been filed, Representatives Martin and Morgan respectfully request that the Article VII charges against Eugenio Vargas be dismissed in their entirety.

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct original of the foregoing was sent via electronic email to APFA National Secretary, Josh Black, email: [secretary@apfa.org](mailto:secretary@apfa.org) on this 29th day of December 2021.

By: */s/ Heidi Morgan*  
Heidi Morgan, Representative



**In the Matter of Arbitration Between**

**Melissa Chinery**  
**Sandra Lee**

**APFA Charging Party Members  
(Plaintiff)**

**And**

**Eugenio Vargas, Former APFA  
National Treasurer**

**APFA Charged Party Member  
(Defendant)**

**RE: Article VII Charges  
Violations of APFA Constitution  
and APFA Policy Manual**

**Before:**

**Alternate Article VII Arbitrator Ruben R. Armendariz**

**Place and Dates of Hearing:**

**The Westin Irving Convention Center at Las Colinas, 400 West Las Colinas Boulevard, located in the City of Irving, Texas.**

**September 14, 15 and 16, 2021**

## Appearances:

### For Charging Party Members:

**Melissa Chinery, Representative**  
**Sandra Lee, Representative**  
**Heather Olenjack, Representative**

### For Charged Party Member:

**Heidi Morgan, Representative**  
**Nena Martin, Representative**  
**Eugenio Vargas, Former National Treasurer**

## *INTRODUCTION*

This is an Article VII Hearing that was heard at the Westin Irving Convention Center at Las Colinas, Irving, Texas on September 14, 15 and 16, 2021. The arbitration hearing was transcribed by Carson Reporting & Associates.

Charging Party Melissa Chinery and Sandra Lee, will be hereinafter referred to as the “Plaintiff.” Charged Party Eugenio Vargas, will be hereinafter referred to as the “Defendant.”

Plaintiff presented for testimony Former Treasurer and Retired Flight Attendant Cathy Lukensmeyer, Business Owner Michael Trapp, Former Boston Base President and Flight Attendant Jennifer McCauley, DFW Base President and Flight Attendant Michael Truan, Flight Attendant Heather Olenjack, Los Angeles Base President and Flight Attendant John Nikides, Flight Attendant and National Treasurer Erik Harris, Flight Attendant Christopher Thedford, Flight Attendant Debbie Hoover, Flight Attendant and National Secretary Josh Black, Flight Attendant Sandra Lee and Flight Attendant Melissa Chinery.

Defendant presented for testimony Former Base Council Representative and Flight Attendant Shane Staples, Flight Attendant Chuck Ransdale, Budget Committee person Yvonne Johnston, Former National Treasurer Craig Gunter, Former APFA President Marcus Gluth, Former Board of Director and Miami Base President Randy Trautman and Former National Treasurer Eugenio Vargas

All of these witnesses were afforded full opportunity to be heard, to be examined, and to be cross-examined. The parties were allowed to introduce evidence on the issues. Based on the entire record, my observation of the witnesses, examination of the evidence, exhibits presented, post-hearing briefs<sup>1</sup> submitted, and arguments presented therein, this arbitrator makes the following findings and renders the following Discussion, Opinion, and Award.

## *THE ISSUES*

The issues presented in the Article VII grievance and heard in this proceeding are described as follows:

### **The Plaintiff**

Plaintiff submits the issue to be determined by the Article VII arbitrator is stated as follows:

Whether Eugenio Vargas, the Charged Party herein violated the terms of the APFA Constitution and Policy Manual by;

- (1) Violating the Meal Expense Policy?

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<sup>1</sup> The parties agreed to submit post-hearing briefs by e-mail to [arbruben@gmail.com](mailto:arbruben@gmail.com) on November 16, 2021 and requested an extended to December 31, 2021 and was granted. The post-hearing briefs were timely emailed and received, thus, the arbitrator finds the record in this matter closed on December 31, 2021.

**RE: Charging Party Members Melissa Chinery and Sandra Lee (Plaintiff) vs. Charged Party Member Eugenio Vargas (Defendant), Article VII Hearing**

- (2) Failing to maintain an inventory thereby violating Article III, Section 6.E. of the APFA Constitution by failing to maintain union assets?
- (3) Allowing himself and his fellow National Officers to receive inflated sick and vacation payouts when they were not entitled to such?
- (4) Allowing the payment to former National President Bob Ross thousands of dollars in Meal Expenses Allowance (MEA) and SAF when he was no longer working for APFA?
- (5) Violating the credit card policy by charging a rental car and meals for a trip to Spain?
- (6) And, if so, what should be the appropriate remedy?

**The Defendant**

Defendant submits the only issue to be determined by the Article VII arbitrator is stated as follows;

- (1) Whether Former APFA National Treasurer Eugenio Vargas committed the following act(s) was “**WILLFUL**” violation of an expressed Article of the APFA Policy Manual, the APFA Constitution, or of a proper and express written resolution or policy of the Board of Directors or Executive Committee of the APFA Constitution, as it is set forth in Article VII, Section 1.F.
- (2) And if not, what is the appropriate remedy?

***THE FACTS***

It is undisputed the charges herein arose from an internal filing of an Article VII grievance filed by Plaintiff Members Melissa Chinery and Sandra Lee against Defendant Member Eugenio Vargas, Former National Treasurer.

Plaintiff alleged Former National Treasurer Eugenio Vargas violated the detailed language of the APFA expense policy by charging thousands of dollars of unauthorized meals to his APFA credit card. Vargas charged meals in his city of residence, Dallas Fort Worth (DFW), when he had no right to meals in his home location, double-dipped when he was receiving per diem out of base, and claimed actual meals while receiving Guaranteed Meal Allowance. Vargas further violated his responsibilities as treasurer by routinely authorizing inappropriate payments to other APFA officers who were committing similar violations of the meal expense policy.

Plaintiff alleged Former National Treasurer Eugenio Vargas failed to maintain an inventory and violated Article III Section 6.E. of the APFA Constitution by failing to maintain union assets. Vargas failed to maintain an inventory of furniture and failed to safeguard union assets as required by the APFA Constitution. Vargas failed to safeguard tens of thousands of dollars of furniture left by his and prior administrations. The evidence will show Vargas misappropriated tens of thousands

of dollars of furniture that he had no right to take, concealing the fact from the APFA leadership and members.

Plaintiff alleged Former National Treasurer Eugenio Vargas allowed himself and his fellow National Officers to receive inflated sick and vacation payouts that they were not entitled to. Vargas changed the long-standing formula on the payout of sick and vacation payout to inflate his and his fellow national officer's payouts by thousands of dollars, failing to inform the Board of Directors.

Plaintiff alleged Former National Treasurer Eugenio Vargas was paying former National Officer Bob Ross thousands of dollars in Meal Expense Allowance (MEA) and SAF when he was no longer working for APFA. Vargas allowed Bob Ross to be paid expense allowances when he was no longer working for APFA. This payment was not specified in Ross' exit package.

Plaintiff alleged Former National Treasurer Eugenio Vargas violated the credit card policy by charging a rental car and meals for a trip to Spain. Vargas used the union credit card for a rental car while on vacation in Spain as well as charging a meal while also on per diem.

The APFA Board of Directors could not resolve this matter internally and pursuant to the provisions set forth in Article VII of the APFA Constitution, the undersigned Alternate Article VII arbitrator was selected solely to conduct an evidentiary hearing and decide this matter on its merits.

***THE RELEVANT PROVISIONS OF THE APFA CONSTITUTION AND POLICY  
MANUAL CITED IN THE CHARGES***

***APFA CONSTITUTION***

**Article I. Section 7. DEFINITIONS:**

As used in this Constitution, the following words or terms shall mean:

- E. "Duty"** means an obligation of performance, care or observance which rests upon a person in any position or fiduciary capacity with or as a member of the APFA.
- M. "Privilege"** means a benefit or advantage enjoyed by a person in any position or fiduciary capacity with or as a member of the APFA.
- O. "Responsibility"** means an obligation to answer for a duty to act or a failure to act by a person in any position or fiduciary capacity with or as a member of the APFA.
- Q "Rights"** means those powers and/or privileges inherent to a person in any position or fiduciary capacity with or as a member of the APFA.

**Article II. Section 2. OBLIGATIONS OF MEMBERS:**

Members of the Association do accept and agree to abide by this Constitution of the APFA as it is in force or as it may be altered, added to, deleted from, or

**RE: Charging Party Members Melissa Chinery and Sandra Lee (Plaintiff) vs. Charged Party Member Eugenio Vargas (Defendant), Article VII Hearing**

amended in accordance with the provisions of this Constitution. Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein. Inherent in the rights, privileges, duties, and responsibilities of membership in the APFA is the obligation to responsibly exercise these rights, privileges, duties, and responsibilities.

**Section 3. BILL OF RIGHTS OF MEMBERS**

- B.** All members of the APFA shall have access to all administrative and financial reports and records except as provided in Section 5.B(1) of this Article II.

**Article III, GOVERNMENT OF THE APFA**

**Section 3 Board of Directors**

- A.** The Board of Directors is authorized and empowered to take any and all lawful action consistent with this Constitution to safeguard and protect the APFA, and the rights and privileges, duties and responsibilities of the officers, representatives and members of the APFA. The Board of Directors is authorized to interpret this constitution and to establish, prescribe and adopt such other policies which may be consistent with this constitution as required for the direction and management of the affairs of the APFA.
- L.** Jurisdiction and Duties: The Board of Directors shall have the following rights, privileges, duties and responsibilities;
  - 1. Set policy for the APFA;
  - 2. Modify the APFA Policy Manual as it deems appropriate;
  - 3. Approve the annual budget;
  - 4. Set annual goals for the APFA as it deems appropriate;
  - 5. Assign to each Ad Hoc Member of the Executive Committee those Presidents with whom s/he shall maintain regular contact and communication;
  - 6. Determine the number of administrative, committee, and support positions as may be required under Article IX of this Constitution to meet the needs of the membership;
  - 7. Nominate and appoint members of the National Balloting Committee and Budget Committee when appointments are appropriate;
  - 8. Review the base assignment of any OAL Operation or satellite and, when necessary alter operation or satellite assignments.  
While not limited to the following, the Board of Directors may:
  - 9. Review the dues structure of the Association;
  - 10. Override the Executive Committee rejection of a proposed Collective Bargaining Agreement;
  - 11. Establish the Regions and the National Vice President will assign the Regional Representatives;

12. Establish, combine, delete or change the duties, responsibilities and specific job descriptions of administrative, committee and support personnel in accordance with the provisions of Article IX of this Constitution for budgetary or policy reasons, taking into consideration the recommendations of the National Officers;
13. Direct special mailings to the membership;
14. Recognize the accomplishments and achievements of members of the APFA;
15. Give annual awards;
16. Confer Honorary membership;
17. Approve hardship dues forgiveness and review other hardship requests that may be brought before the Board;
18. Appoint special committees;
19. Appoint or change the Article VII Arbitrator or Alternate Article VII Arbitrator(s);
20. Approve Article VII administrative changes;
21. Suspend officers or representatives pursuant to Article VII;
22. Take any and all appropriate action deemed necessary by the Board and in accordance with this Constitution to promote the welfare of the members of the APFA, and this shall include the right to reverse an action or decision of the Executive Committee, National Officers or other representatives, except as provided in this Article III, Section 4.J.11 or Article VIII, Section 6.B of this Constitution.

#### **Article VII. Section 1. Grounds For Charges:**

Any member is subject to fine, suspension or expulsion, or suspension from or removal from office, for any of the following acts:

- A.** Failure to pay dues, assessments or penalties levied by the Association.
- B.** Advocating, or working toward, the displacement of the APFA as bargaining representative (providing that advocating, or working toward an affiliation, merger or federation of the APFA pursuant to Article XII of this Constitution shall not be grounds for discipline);
- C.** Willfully acting as a strike breaker during any work stoppage duly authorized by the Association; (1) Notwithstanding Section 1.C., above (which provides as a grounds for charges willfully acting as a strike breaker during any work stoppage duly authorized by the Association) APFA shall not process any charge of willfully acting as a strike breaker during the November 1993 strike against American Airlines.
- D.** Willful violation of a Flight Attendant's Collective Bargaining Agreement
- E.** Theft or embezzlement of Association monies or property

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- F. Willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee
- G. Willfully acting in a manner that causes the Association to violate its legal obligations; or
- H. Willfully bringing charges without reasonable basis against another member, officer, or representative of the Association, should such charges be dismissed for any reason by the Article VII Arbitrator designated herein, or should such charges not be sustained by the Article VII Arbitrator.

***APFA POLICY MANUAL***

**Section 5.G.1. Trip Removal and Expense Policy – Other Expenses**

- 1. Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed to the extent provided in this policy. In all cases, receipts must be submitted to verify the expense and to substantiate reimbursement. Expense reimbursement is not intended to be for the personal profit of the APFA member, but to compensate him / her for actual expenses and losses and is exclusive of other applicable reimbursement provisions in this policy.

**Section 5.F.5.a. Trip Removal and Expense Policy–Meal Expense/Allowance**

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
- (1) Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business-Related Expense. Abuse, as determined by the Executive Committee, may lead to limitation or revocation of this privilege.
  - (2) The reimbursement of a Business-Related Expense shall not count against a representative's MEA.

***PLAINTIFF TESTIMONY***

Only certain testimony this arbitrator has deemed relevant to the issues at hand are as stated herein.

**Cathy Lukensmeyer**



Ms. Lukensmeyer is a retired 30-year American Airlines Flight Attendant. She is a member of the APFA. She has held several APFA positions in Chicago, Illinois as a Council Representative, Vice Chair, Chairperson, negotiations member in 1986 and National Treasurer for the APFA for 4-years from 2004 to 2008. She testified she had received training as a National Treasurer for only one transitional month. She stated she is familiar with the APFA Policy Manual and Constitution as it relates to financial matters and the role of the National Treasurer. The APFA Policy Manual dictates the day-to-day operations of the APFA and is approved by the Board of Directors. She further said, Article II, Section 2 states ignorance of the Constitution is not a proper excuse for any violation of the provisions. She further explained the duties of the National Treasurer to include the care of the office, the staff, all of the assets of the Union. They inventory the assets and are in charge of expense reports and the monitoring of expense reports, questioning expense reports, prepare government filings and to provide to the Board monthly financials. And making sure all meals have proper receipts in accordance with the policy manual, which is a part of the expense report. Only the Board of Directors (BOD) can modify the policy manual. Additionally, she testified that she was familiar with the Meal Expense Allowance (MEA) and per diem. When working for the Union, flight attendants would receive an expense, a per diem and an MEA. The Officers and the people on full time would lose out on that source of income. You have actual and you have guaranteed up to a certain point as defined by the policy manual as to how much you get. MEA is for persons away from their base and the per diem is also away from the base. The Officer's would receive a guaranteed base because they weren't flying and that is what would make them whole. And that is put on the weekly expense report. When asked, 'should one be getting the Union credit card to buy meals and getting guaranteed MEA for the .... same days?' She answered "No" it is double dipping. They are already getting paid, meals do not go on the credit card. The per diem is a daily allowance and was negotiated for the Flight Attendant and then copied the CBA and it would cover those expenses. Per diem's away from the base. National Officers are assumed to be living within a radius of Dallas per the policy manual and for purposes of expenses and other policies regardless of where their permanent residence is located. A hosting exception is when there is an arbitration for example with lawyers and witnesses, the Vice President would order a meal and everyone would be included. Lunch does not qualify for a hosting exception. She was asked if one should be getting guaranteed MEA while getting per diem and she said "No." She was asked, "if all Union officers are receiving meal allowance, should they be charging a meal to the Union when everyone is on MEA and she said, "No."

She further testified that under the APFA Constitution, the National Treasurer is responsible for assuring accurate receipts, the purpose of the expense and who was present. She was provided Exhibit (CP-2) and reviewed some of the credit card and receipts related to Vargas expenses. She said Officers are not allowed to take guaranteed and actual meal expense.

Lukensmeyer additionally testified that in 5h 3 deals with electing an apartment or a paid move. She said that when you get elected to office, you have a choice. You can either move, or transfer totally to Dallas. The Union will cover the expenses, \$10,000.00 will be given or you could choose to have an apartment in Dallas that is furnished, no smaller than one bedroom. The Officers get two bedrooms that has an office. She explained that when she came into office, her apartment was from the preceding Treasurer and it was already furnished with towels and sheets, you name it, it was there, except for one room, the office. She had to get a couch and table because no furniture was there, but the rest of the apartment was fully furnished. The Treasurer's Office

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takes care of corporate apartments. The Treasurer would obtain the apartments and take care of furnishing them if there was no furniture. The furniture should already be there. She said she put into place a policy 5.22, No. 7, for incoming National Officers and other representatives shall normally be able to use outgoing National Officers or Representatives furniture and furnishings rather than replace these items with each change of National Officer or Representative, subject to the right to reasonably refuse furniture and furnishings. This policy was in place before October 2016 and the policy requires that there be a silent auction of furniture. These are assets of the Union and we have to consider the depreciation value and the fair market value. It's not possible for an item to be depreciated to zero. The Bylaws do not provide for rental cars in the city of residence. So once a National Officer takes office, they are not entitled to a car in DFW or Dallas. The expense reports are supposed to have two signatures, so there should be another person who is overseeing what the Treasurer is doing or spending, whomever signs the other half of that expense report. It is not normal for a Treasurer to repeatedly have to pay back the organization for erroneous charges.

On cross-examination, Defendant presented Resolution No. 14 into the record and was identified as APFA Apartments Board of Directors Resolution No. 14 dated March 9, 2016. She testified it is a new policy on apartments and furnishings. Equipment in need, furnishings in need of replacement, replace as needed and they talk about damaged, worn out, depreciated, not useful and that replacement items may be purchased in accordance with the table. Surplus furnishings shall be sold through a public online market, Craigslist and it must be stored and inventoried. It also says, Outgoing National Officers or Representatives shall have the option of purchasing at Fair Market Value the furniture, furnishings, appliances, equipment that were provided in their APFA accommodations. Lukensmeyer said she was not aware of this new policy.

**Michael Trapp**

Mr. Trapp is the owner of Trapp's Residential Services, and Trapp's construction. He testified that he has performed work for the APFA from 2014 until he became sick. He performed maintenance, electrical, plumbing, painting, moving stuff and remodeling. He said he would clean the apartment and move all of that stuff. Ms. LaDonna Casey would let him know where to go and they would pack up everything. Take it to the office or other apartments. After Mr. Gunter, former National Treasurer passed away, he moved his furniture from Corporate APFA apartments to the back room of the APFA since there was no room to store the furniture at Uncle Bob's storage place. Trapp identified Exhibit (CL-13) as being his invoices for work performed. There were three storage lockers full at the time. After the elections Greg's stuff was moved to Mr. Vargas apartment.

On Cross-examination, Trapp stated that between 2016 and June 2017 he picked up furniture at the APFA storage units and dropped them off at donation. He said he dealt with Ms. LaDonna for him to pick up items, take it, put it back together

**Jennifer McCauley**

Ms. McCauley is a Flight Attendant for American Airlines and based in Boston, MA. She has been employed with American Airlines for over 30 years. She has held Union positions such

as Base President (1997-2012) for the Boston International and Domestic domiciles. From 2012 to 2016 she was appointed to the SBA department as a Regional Representative. And from 2016 to 2019 she was elected to the Executive Committee as an ad hoc by the APFA Board of Directors. She testified that she attended the Executive meeting on September 8 or 9, 2016 regarding furniture but was told by Eugenio Vargas the furniture was in storage and had not been inventoried because it was too hot to go to the storage area Exhibit (CL-14). Exhibits CL-14, CL-15 and CL-16 were offered and received into the record without objection.

### **Michael Truan**

Mr. Truan is a 23-year Flight Attendant with American Airlines. He has held several positions with the APFA. In 2004 he worked in the communications department and moved on to be a DFW Base Representative and then became a full-time Dallas Base Representative. He worked in contract scheduling as well in the safety department. He was elected to the position of a domestic negotiator with the negotiating Team back in 2013 and DFW base president in 2019. Truan testified that at a Board of Directors meeting, it was discovered that Mr. Vargas, Ms. Martin and Mrs. Dunaway received large payouts at the end of their term for unused vacation and sick leave and it wasn't calculated correctly. Two Special BOD meetings were held on August 26, 2019 and via resolution the BOD passed to have these former Officers pay back the money owed to the Union. Payout is supposed to be calculated per APFA policy and National Officers salary. The former Treasurer had calculated additional income into that calculation which is not part of the policy at APFA. Exhibit (CLX-18) is the Executive Meeting that transpired on December 5-7, 2019 and Resolution No. 2 was passed on August 29, 2019. In this resolution, if the payouts were not paid back no later than January 26, 2020, the APFA Attorney was directed to file a civil lawsuit to collect these funds. Truan stated that from August to December, the money had not been paid back. Exhibit (CLX-17) is the second meeting of the BOD. National Treasurer Craig Gunter and BOD voted pretty much unanimously on Resolution No. 2 (Ms. Martin was on the Board of Directors and abstained), where it directed Mr. Vargas, Ms. Martin and Ms. Dunaway to make APFA whole to recover the overpayment. Both CLX-17 and 18 were received into the record without objection. On cross-examination, Truan was asked how is the Officer salary calculated and he said through APFA policy. The officers (President, Vice President and Secretary) are paid the highest international purser rates. As far as vacation, sick, or any other items included in their monthly salary. Truan said that according to their attorney's at the time, MEA, SAF was not additional income to be added to the payout. The officer's salary should only include the highest international rate, purser premiums per APFA policy. Charged Party Exhibit (CL-99) was introduced into the record and is a string of emails requesting an explanation of the formula used for the calculation. The formula should not have included MEA and SAF. The former National Officers were disputing the APFA calculation of the amount of overpayment owed back to the APFA in Resolution No. 2 (CL-99). Truan stated in the Executive Committee meeting, he became aware that the recalculation was based on a 1987 payout formula, Exhibit (CP-99) and Exhibit (CP-1) were received into the record. On re-direct, Truan stated a power point presentation was given of the formula that should have been used for payout.

Truan stated the elevated overpayment was included in the Bob Ross exit package. Truan said that they had a Base President call with Attorney Bruce Lerner and several BOD's where he asked Vargas if he wanted an attorney to be present as this could possibly become criminal charges. In

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the e-mail chain from Patrick Hancock, he told Ms. Martin the original formula has been used for over 30 years and has been included in 30 plus audits and multiple DOL reviews and is a long-standing established practice. This is the appropriate starting point. The amount you owe APFA is calculated by taking what you should have been paid, original formula, and subtracting what you were actually paid. On further re-direct, Exhibit (CL-99) Truan was asked to further read it into the record as follows,

- A. "APFA does not and should not have to decipher what was wrong with the new formulas and try and fix it for you. The fully functional original formula defines what you should have been paid. Your overpayment is easy to calculate using that number. The EC has now established the deadline of January 6, 2020 for you to reimburse the Union. I look forward to hearing that APFA has been reimbursed and we can move on to addressing the many challenges facing our Union. Patrick Hancock Ad hoc 5."

On re-cross-examination Truan was again asked, "isn't it true the original formula is a formula that has nothing to do with MEA and SAF and he said "yes."

**Heather Olenjack**

Ms. Olenjack has been an American Airlines Flight Attendant for over 24 years. She has been Base Council Representative and Health Representative from 2014-2015 at National Headquarters. Laura Glading was the National President from 2014 and 2015. In the summer of 2016, she had concerns over APFA furniture and spoke with National Treasurer Vargas on September 21, 2016. She had concerns of moving expenses, furniture. Vargas had a book of financials that he showed her. She discovered several APFA apartments were vacant. She discovered that Bob Ross and Nena Martin had used their whole allotment and was concerned that it may have gone over that amount. She asked about moving expenses and he showed her receipts of Bob Ross and Nena Martin. Vargas said Ross was about \$2500.00 as he moved with nothing and that he actually purchased Greg Gunter's furniture. Vargas said Ross wrote a personal check to the Union. In the meeting of June 2017, Vargas said that he had paid \$219.00. She further stated APFA policy was not used for the handling of this furniture. It could have been reused, given to another representative or National Officer in a corporate apartment. If not used, should have been placed into storage until needed and if it was deemed unusable, then it was to be placed on the silent auction at APFA for Flight Attendants to bid on or a staff member. She further said she was looking into furniture. Gaby Harty was the Health Chair and she had purchased quite a bit of new furniture. Harty resigned 8 months later and that furniture was sent to a consignment store for resale and not stored. Vargas said he was following the policy. She told him that he made a policy change in October to include it. The APFA took a big loss on reselling the furniture as they purchased a couch for \$800.00 and listed it at the consignment store for \$300.00. APFA would only receive 50% of the retail cost. On cross-examination Ms. Olenjack said the policy said \$5000.00 one way move and \$10,000.00 for a round trip. She was given Exhibit (CP-10), Resolution No. 12 dated October 5-6 as to the disposition of furniture of outgoing National Officers or Representatives. She also said she was aware Ms. Harty resigned in January and there was a lease on that apartment until May. The furniture remained in that apartment for the duration and a



representative was moved in. She said she was aware of this Resolution. She said she was aware Vargas presented a change for the disposition of the furniture that passed where Outgoing National Officers or Representatives shall have the option of purchasing furniture at fair market value. If not, it shall be sold through a consignment store and if not sold within 6 months, it shall be donated to charity. And four months later the consignment store gave a check for \$1,159.00 for the items submitted.

### **John Nikides**

Mr. Nikides has been employed with American Airlines for 37½ years. He is the Los Angeles Base President. He has been a Rafety representative with LaGuardia, San Francisco Vice Chair, Assistant to the President, American Eagle liaison, LAX International Vice Chairperson, LAX Domestic Chairperson and LAX Base President since April 1, 2001. He testified that he was on a BOD call with Vargas discussing the change of Formula for vacation payouts. Discussed at this meeting was MEA and SAF. The MEA is the meal expense allowance. And SAF is Special Activity fee. In the phone conversation MEA and SAF had come up as to whether were considered wages. Vargas claimed MEA and SAF are wages and that was based on certain payouts the National Officers. Vargas said in this phone conversation that there would have been no reason to exclude Bob Ross from our actions, the actions we took to secure the monies from the other three national Officers. Attorney Bruce Lerner informed Vargas to get Legal Counsel. MEA and SAF were never intended to be wages. He said he became aware of several moving resolutions in September 2016 to October 16, 2016, that Bob Ross was in violation of the policy manual but had been permitted by Vargas to first get an apartment, which he was entitled to under APFA Policy Manual but then decided this wasn't working out for him and decided to move his family down there and Vargas paid his moving expense. You get either an apartment or you get moving expenses. You don't get both. This came up in the BOD meeting of what Bob Ross had been permitted to do and that moving resolution was turned down. Ross had an exit package and Nikides was one of the BOD members. Ross got paid MEA and SAF. MEA and SAF is intended for work actually done. Ross wasn't working during that time period. Nikides stated he expected the Treasurer to be the gate keeper. Nikides also said there was a BOD call and was informed that Bob Ross had to pay back \$3600 for the furniture. This furniture went to Ross residence and not to the Corporate apartment. So, Ross paid it back two years later. Vargas also paid back some money for a rental car. Vargas used the APFA credit card to rent a car in Spain.

Nikides also testified that once the formula was clarified using the 1987 formula calculation Ms. Martin immediately paid off the owed debt. He stated that he is familiar with the Ross Transition Agreement (CL-98), he also verified that was his signature on the last page. He said they signed this page in the absence of a printed Transition Agreement. Nikides also stated you cannot use a Union credit card to eat a meal when you are on MEA, that is double dipping. On re-cross examination, Nikides was asked if any National Treasurer, the gatekeeper of the books, has ever told him how to deduct MEA from your expenses because the secretary who sets up those meetings are purchasing meals with an APFA credit card while you are on MEA, and he answered "no." On further re-direct examination, Nikides was asked if it would be a violation to go to a golf course 54 times when it's just the National Officers on the ticket and he answered "yes."

### **Erik Harris**

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Mr. Harris has been an American Airlines Flight Attendant since May 2014 and is currently the National Treasurer for APFA since April 1, 2020. He said the state of the Union financial records were bad. There were pay loss bills behind and lots of overspending. The books were not kept well. Harris was asked what is the obligation for Union Officers to substantiate credit card spending. He said prior to this year, the only requirement or obligation was that OLMS and that requirement was to provide receipts and substantiate credit card purchases and document those items with a receipt along with credit card statements. On the receipt, it should be the same date, the same charge amount and what was purchased and what department to charge it to for financials in the budget and who was there and who made the purchase, and this is done on a monthly report. Harris issued the Charging Party's an email in response to a subpoena request. It was discovered while retrieving documents, certain items were missing. In item #1, the box containing all accounts payable invoices, reports and documents for fiscal year ending 2017 beginning with the letter S through V was missing. This would contain all backup and support documents, receipts for Eugenio Vargas monthly reports during this time frame. In item #2, receipts for Eugenio Vargas purchases - purchase of Greg Gunter's APFA owned furniture. In item #3, we ended up locating the petty cash. Harris said they did not locate the record and receipts for letters S through V for fiscal year ending 2017 - April 1 through March 31. Harris also talked about an email from Liz Marko to Rachel Early regarding a rental car that was reserved in Eugenio's name to be driven by Ellen Eherts and charged to the General Administrative Account. (CL-1, 2, 3, 5, 6, 7, 8, 9, 10 and 11) were introduced and received into the record. Harris also said the monthly and weekly's were missing from April 1, 2016 to March 31, 2017 (S through V). Harris also said the receipts for furniture purchased by Eugenio Vargas from April 2016 through March 31, 2017 could not be found. Harris also said APFA has a policy on keeping inventory, there are no specifics on how they are to be kept and this is the responsibility of the Treasurer. Harris also said he could not locate the inventory list for furniture from the Vargas Administration. Harris also talked about the issue related to the formula for the payout of vacation for former officers Vargas, Ms. Martin, Mrs. Dunaway and Bob Ross. There was a disagreement on the formula whether it included the MEA and SAF payments. For calculating the payout, the annual payout takes your annual salary and it's a formula based on that. The MEA and SAF are payments above and beyond the salary and those amounts were included in the formula. Harris also said Vargas is currently making payments as well as Dunaway and Ms. Martin has paid her debt in full. Bob Ross has not paid back the money (\$5400.00) owed. Harris did state Bob Ross received an exit package when he left office as National President and it paid him from March through July. Ross was paid a guaranteed meal expense during the time he was no longer working for APFA. Bob Ross did not fill out a weekly report. Payment is approved by two National Officers who would sign off on a weekly report. The weekly report would substantiate the meal allowances or the MEA and the SAF. Harris said they sponsored a set of Resolutions related to financial matters, financial reform. It was a cleaning up policy related to Section 5 and 6 of the Policy Manual. Section 5 is the trip removal and expense policy and Section 6 is the National Officers' salaries and benefits. Resolution No. 8 was APFA credit cards basically aligning APFA policy with OLMS and the OLMS standards for corporate cards for unions because there was no policy. Resolution No. 9 is creating policy or creating and cleaning up policy related to apartments and furnishings, relocations, determining limits, things that were not really defined. Harris said they saw a need to create parameters and boundaries concerning apartments and furnishings. Resolution No. 10 deals with business related meals realigning the credit card policy with OLMS, but to also further clarify what business related meals

and expenses are and what the procedure is for seeking reimbursement or use of the APFA credit card. Harris said there was no policy in place for credit card expenses, name, nature of business, etc. but it was in place with OLMS, because it is the law. Resolution No. 10, business related meals and this new policy is for group meals to be in compliance with LMRDA regarding meal purchases using an APFA credit card. All meal charges must be accompanied with a written explanation of the specific union business conducted during the meal and the full name of and title of all attendees, created policy to reinforce what the law states. On Resolution No. 11, the policy language in the manual had very minimal language on parameters around rental cars. It only allowed officers to just authorize it, but we wanted to further clarify the procedures over rental cars. We don't provide rental cars for your home base as you are a resident. Resolution No. 12 deals with officer relocation and speaks of \$10,000.00 round trip move to Dallas. We clarified what is round trip versus one way. Resolution No. 13 deals with the collection of non-dues owed to APFA. Resolution No. 14 deals with resignation or recall of a National Officer. This eliminated the need for an exit agreement in the future. Harris said that they realized the policy manual was not clear enough and were receiving a lot of questions about certain policy and it left areas open for interpretation. This is the reason for so many resolutions to be created to clarify policy.

On cross-examination, Ms. Morgan asked Harris, did the charging party's ever request to review documents from any other administration outside of the Ross Administration and he said "no." He also said they would have working lunches for the budget committee team. Harris also said that prior to March, the APFA did not have a set policy on the handling of receipts in Section 5 of the Policy Manual. Plaintiff objected to Ms. Morgan introduction of several documents into the record to reveal their conclusive proof these documents received disclosed a past practice and were shared with the Plaintiff through email as soon as Harris provided it to them. The arbitrator overruled the objection and allowed these documents into the record. Harris said no Article VII charges were ever filed against him for not having receipts. Harris said the Treasurer before him was Craig Gunter. He took office in 2018. Harris said that he was on Vargas budget committee in the administration prior. Harris further said APFA's finances were strong when Vargas left office on July 1, 2018. Harris said they went from a strong financial position to dire state October 31, 2019 due to rampant overspending. The prior administration brought in their own outside opinion and they advised the administration and the BOD that there needed to be some oversight. The BOD then created the budget oversight committee. Harris also said that it appeared from the depreciation schedule that two persons share the Ashley furniture. Harris also said that he has had to rent cars when additional representatives are in town and are rented under the National Officers name for the representative. Harris said Section 5 of the policy manual governs trip removals, which is a pay loss, representative salaries, reimbursements and meal expenses. National Officers are paid in accordance with Section 6. As an officer, Harris said he receives guaranteed MEA and SAF in Section 6 and stipend for maintaining an office outside of his home. Section 6 covers four officer salaries including him. Section 5 applies to all representatives. Defendant's Exhibit (V-44) was introduced and received into the record. Harris also said that in his email that he had read previously into the record that "there are individuals, who have seen these documents in the recent past; however, they have inexplicably disappeared from my custody." Defendant Exhibit (V-98), the Ross Transition Agreement was introduced into the record and discussed. Harris confirmed this was the document given to the Plaintiff. Harris read into the record Item No. 4, the economic terms of the Ross Transition Agreement, "APFA agrees to pay Ross all of his accrued and unused sick and accrued and unused vacation time from April 1, 2016 through July 31, 2018."



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On cross-examination, Harris testified to Laura Glading's administration was not providing receipts for year ending 2013. Harris testified that Marcus Gluth was not providing receipts for year ending 2014. Harris testified that based upon what he has seen the practices in the past are not the same as the present. The reason is, we have a different system and put in place policy procedures on how to use the corporate card to correct deficiencies and to be in alliance with the law. On re-direct, Harris said that Ross was overpaid on his vacation by 35 days. Vargas made this mistake and the check went to Ross. Vargas did not benefit from this error. Harris also said they got overpaid on their 401K, it was inflated wrong by the amount used to calculate that was based on that formula. Vargas made this mistake.

**Christopher Thedford**

Thedford testified that he has been employed with the APFA since November 2019 as a Staff Member and Senior Accountant. He does general ledger entries, credit card entries to the general ledger including invoicing and payments. He is very familiar with the standard accounting procedures. He says that it is important for a business or an organization to maintain proper inventory control of furniture. You need to know what you have in the building, the cost you paid for it and the current market value. There are different ways, different accounting methods that you can do it, one is just a simple depreciation where you recognize the initial value of it and then depreciate it over a certain time span, at a straight-line method, that's the most common method. So, each item, such as furniture, it needs to be accounted for until it's taken off the books. He says he has viewed APFA records, and seen the entries but that he really does not know their standards. He is not aware how long Union's are required to keep financial records. He explained book value is what you initially purchased an item. Market value is essentially the same thing but the price is now is set at a certain time period. And then the depreciated value is after a certain time period how much it's worth after depreciation. As to the APFA vans, they are paid off. After seven years in possession, the vans would have depreciated to zero for accounting purposes, but it would still have a fair market value and a salvage value. Exhibit (CL-6) was introduced, the APFA's General Ledger October 2016. He was asked to see the reference to Greg Gunter's furniture being written off. He said he doesn't recognize if it's normal or not and did not see a reason to write off the full value of the furniture with the information here. He was asked in terms of meal receipts, what should be on a receipt for a business meal. He said it would be an itemized receipt listing every item. What is needed on the receipt is the item, the amount and then a signature for payment. He said, the treasurer deals with policy and the accountant deals with accounting. He also said that he assisted in locating documents in response to the subpoenas and there were a few credit card receipts missing between fiscal year 2016 -2018. On cross-examination he said the missing credit card receipts for 2018 – 2020 were from National Officer Lori Bassani.

**Debbie Hoover**

Ms. Hoover has been employed with APFA for 22 years as an accountant. She does payroll, trip removal stuff and flight attendant expenses. She said she was familiar with the issue related to former National Officers during the Ross Administration changing their vacation formula for their vacation payout at the end of their term in June 2018. She said National Officer Eugenio Vargas approached her about changing the formula. She said she was told to add SAF and MEA. This did

raise a red flag to her because this has never been done before, it wasn't past practice. This was completely different. On cross-examination, she said Senior Accountant Rene Berthelot worked with her. She said in box number 1 of Vargas W-2 is everything you get paid minus the 401K because that's nontaxable. She was asked if that would include MEA, SAF and an office outside of residence and she said they are included in box 1.

### **Josh Black**

Black is employed with American Airlines and is currently, the National Secretary for APFA. He maintains files related to the Executive Board and BOD's meetings. And he oversees the Article VII process. At the August 4, 2020 meeting Melissa Chinery, Sandra Lee, Josh Black, Margot were present to view the Ross Transition Agreement. Union Attorney Bill Osborne provided a copy of the Ross Transition Agreement to the APFA.

### **Sandra Lee**

Ms. Lee has been employed with American Airlines for 36 years as a Flight Attendant. She has never held a position with the Union. Her concern for looking into the Union's finances was the Bob Ross exit package. She had requested to see the Union's finances at APFA headquarters. She had a meeting with Liz Geiss APFA Vice President and Craig Gunter, the APFA National Treasurer in a conference room. The monthlies were spread out for each month of the year. It had a breakdown of payroll, fixed costs in the building, secretary's salaries, etc. Several months were missing of payroll for Bob Ross and Nena Martin. Chinery asked about furniture, an inventory list and she was told there was no inventory list. Exhibit (CL-2) is the furniture receipt purchased from Ashley Furniture. We were able to review the Ross Transition Agreement under Julie Hedrick's Administration. Bill Osborne was the attorney who allowed us access. Ms. Lee stated they also learned that MEA and SAF was included in the payout to the four National Officers. It was included in the Bob Ross exit agreement. Bob Ross was paid five months after he exited the building as President. The five months of pay included MEA and SAF. Also learned was that Ross had received extra vacation.

### **Michele Chinery**

Ms. Chinery has been a Flight Attendant with American Airlines for 25 years. She stated she supported Bob Ross, Eugenio Vargas, Nena Martin and Marcy Dunaway. But, could no longer support Ross because he promised to do a lot for the merger with Legacy US. Air and Legacy American and unite us. Ross ignored the U.S. Airway Flight Attendants. She stated per the constitution, they initiated a recall for all four of them. It lasted about a year and they had enough signatures on the petition to trigger an election. Thirty percent is all that is required to trigger a recall and they presented the petitions at the National Convention but they were not validated and there was no recall vote. She also stated she was allowed to view financials from the Bassani Administration. She also asked for credit card receipts of the Ross Administration. Chinery stated they looked at the Ross exit package first and then looked at Laura Glading's exit package. We then looked at credit cards. We looked at mileage. We looked at monthlies, and weeklies receipts. The financial records were a mess. We only saw the records that were provided to us as some were missing. The receipts for Vargas monthlies were missing. We were also informed of missing boxes

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of financial documents. Harris said the box S to Z was missing for fiscal year 2017. She also said there were a hundred and fifty restaurant charges. It could be Vargas charged those for other individuals, reps.. She also stated she prepared a document using Exhibit (CL-1 and 2) and compared this information against the receipts. The first entry was May 9, 2016 to May 25, 2018 and \$10,945.28 was spent with the Union credit card on food. Vargas was receiving guaranteed MEA. The food chart exhibit mentioned includes meals purchased on Vargas credit card and equates 150 meals for a total cost of \$10, 945.28. Vargas loved Taco Cabana and he went 52-54 times to the Raven's Grill & Golf course. Some of these receipts were filled out properly and some were not. Most of them were not. For example, June 30, 2016, it does not list the reason or who was there with him. Most of the receipts are undocumented. There were receipts where Officers were purchasing meals for one or two other Officers and they were listed on the receipt. She said the policy manual does not allow an Officer to take both guaranteed meal expense and actual meal expense. When Vargas actually charged a meal, he did not reduce guaranteed meals for the day.

***DEFENDANT TESTIMONY***

Only certain testimony this arbitrator has deemed relevant to the issues at hand are as stated herein.

**Shane Staples**

Mr. Staples has been employed with American Airlines for over 30 years as a Flight Attendant. He served in the APFA Bob Ross Administration starting in March 2016 in Communications. APFA provided furniture to be used at the Bear Creek apartment he was given. He stayed in a hotel for a month prior to being accommodated. When his term ended in July 2018, he moved out of the apartment. This occurred after Vargas left office. He said it is standard practice for the Coordinators or the National Chairs to stay on with the new administration. When he moved out, he did an inventory of the items in the apartment. Exhibit (V-32) is an email of his inventory list.

**Chuck Ransdale**

Ransdale has worked as a Flight Attendant for American Airlines for over 33 years. With the APFA, he was the Vice President for the Baltimore domicile as well as the National Contract Chair. He served in the Bob Ross administration as a contract chair. APFA provided accommodations and he provided documentation in support. Maddie was the attorney for the APFA at the time. He did go to a garage in the Bear Creek complex but all the furnishings were tagged going to other apartments. He said he was on a flight to Madrid doing a time study. Vargas was working the flight and we did have a working dinner to talk about the time study. Vargas picked up the dinner tab and he picked up the wine tab. And they were all on MEA and SAF and getting per diem. He paid for the wine with his personal credit card. On re-direct, Ransdale was asked if he knew of Melissa Dyer. He said Dyer worked on policies and procedures for American Airlines under Michelle Morenas.

**Yvonne Johnston**

Johnston has been employed with American Airlines for 34 years. She has a Bachelor's Degree in Behavioral Science and Health and Economics. She also has a Master's Degree in Forensic Accounting. She has served on APFA Budget Committee and served under National Treasurer(s) Eugenio Vargas, Craig Hunter, Erik Harris and Greg Gunter. She states that she helped streamline the way the taxes are taken out of APFA representative paychecks and unemployment insurance. On the budget committee she worked with Kimberly Smedley, Russ Reed, Erik Harris, Amy Milinkovich, Todd Breckenridge, Robert Norvell and Beth Flannery. She said usually the Treasurer would have lunch brought in so we could continue to work. The group would usually go out for dinner and the Treasurer would pay the bill with the APFA credit card. Some of them claimed MEA and SAF. Vargas would take them out and would pay using the Union credit card. Erik Harris, Craig Gunter, Greg Gunter would take her out and use the credit card to pay for the bill. She also said that she saw other officers in all other administrations have the practice of purchasing food and beverages for themselves and for others who were already receiving MEA and SAF. She stated it has been a standard practice across the board not only Treasurers but all other Officers to be permitted to use the APFA credit card for food purchases and beverage purposes when people are receiving MEA and SAF when they are at APFA. She resigned her position because she was not getting the proper financial documents in a timely manner in order to be able to do her job properly. She also stated that when Eugenio was in office, the state of the finances in her opinion looked good. She also said that if a personal purchase was made and it was corrected within the same billing cycle and repaid, the institution was not harmed. She also stated Vargas has an impeccable work ethic, he is fair, honest and reliable.

### **Craig Gunter**

Gunter was treasurer of APFA and said that Ms. Chinery and Ms. Lee came to APFA to view documents four or five times. He stated he was the Chair of the Budget Committee and there were six persons on the budget committee. When the members of the budget committee came into town for their regularly scheduled meeting, he would order food for them to have a working lunch. The food was paid for on a APFA credit card and they were receiving MEA and SAF. This has been a past practice for many years. This was actually a cost savings to have the meetings continue. Ms. Lee and Ms. Chinery when examining Vargas documents never questioned him about similar expenditures. He said that when he took over from the Ross Administration the state of the APFA Treasury was in order.

On cross-examination, Gunter stated that he had prepared and presented a PowerPoint presentation showing in great detail how the payouts were calculated and determined the calculations were correct. Ms. Martin requested of him to set up a conference call with the BOD to talk to Eugenio Vargas because they did not trust the calculations he did. The attorneys and BOD members interviewed Vargas. Vargas admitted that he had calculated the amounts using additional salary, the additional income added into the salary amounts. And he admitted that he knew the past practice did not use this calculation. He admitted that he directed the accountant to use his calculations and the accountant was not comfortable in doing so. After verifying the calculations and interviewing Vargas, the Board passed a resolution demanding repayment. The attorney got involved as this was going on for over four months. In December the Executive Committee had to threaten to file a lawsuit if they did not pay it back within 30 days. The

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Resolution was passed by the Executive Committee and Ms. Martin paid the full amount and Vargas and Dunaway set up a repayment plan.

### **Marcus Gluth**

Mr. Gluth has been employed with American Airlines for approximately 30 years as a Flight Attendant. He was the Southeastern Division Representative and had seven bases in his division dealing with upper-level grievances. A member of the National Committee from 2000-2002. In 2015 the APFA president resigned and he was elevated to the President until April 2016. The Bob Ross agreement was negotiated with a Non-Disclosure Agreement (NDA). He assisted the BOD as Lead Counsel in their representation when they were charged with violating the APFA Constitution by Julie Moyer.

Mr. Gluth discussed the Ross Agreement and the Laura Gladings Agreement. Admitted into the record as Exhibit (V-100) the amicus brief.

### **Randy Trautman**

Trautman is the APFA Miami Base President. He has been employed for over 38 years. He has held positions such as National Scheduling Coordinator and International Negotiator. He was on the BOD on March 1, 2018. Attorney Mark Richards and the BOD were present regarding the Ross Transition Agreement. In the Laura Glading's exit agreement, it included full salary and SAF and related payments. He has been a member of the BOD for over 22 years. He represents the fiduciary responsibility of the Union, sets policy and interprets the Constitution. As a Board Member, he became aware at a Board meeting that Eugenio Vargas, Marcy Dunaway and Nena Martin had received an inflated formula for MEA and SAF.

Trautman admitted that at the last convention in March, the BOD passed several resolutions. Those resolutions passed by the BOD are to set policy on moving expenses, National Officers payouts, APFA apartments and furniture because there was no policy in place.

### **Eugenio Vargas**

Vargas has been employed with American Airlines for 26 years. He has held the position of Boston International Vice Chair, Boston International Chairperson and APFA National Treasurer. He testified that on August 11, 2016 he was on vacation with his spouse in Madrid, Spain. He rented a car from Enterprise Car Rental. He walked over to the Enterprise counter but he had to go to the restroom and asked his spouse to handle it. When he came back the car rental agreement was ready for him to sign and he signed it. In early September when the bill for the credit card came in, he was doing reconciliation of the credit card bill and noticed the Enterprise charge. When he arrived home, he obtained the enterprise receipt and noticed that the APFA credit card was used. He brought the receipt back to APFA the following morning and when senior Accountant Rene Berthelot arrived to work, he told him what happened. Berthelot said all you have to do is pay it back. He paid it back on September 9. Exhibit (V-19) is Vargas personal Chase account. Exhibit (V-20) is proof that Vargas made the payment and reconciled the rental car from his personal account for the full amount. Exhibit (V-21) is the bill in question. The total amount



was \$872.34 and deducted a credit of \$258.07 (Deposit) owing APFA \$614.29. He has made one trip to Madrid on vacation and one trip to Madrid with APFA. He charged a meal, and this occurred when American Airlines introduced the premium economy class on the 787 aircraft with the time study. National Contract Chair Chuck Ransdale, AFPA Representative Neil Fernandez and Melissa Dyer. Exhibit (V-17) is Vargas (V-1) showing the dates on which he traveled to Madrid doing the time study as a working Flight Attendant where he displaced a Flight Attendant to work. He said he did have a working dinner with the group and he paid for the dinner and Chuck Ransdale paid for the alcohol tab. This was only time he charged meals in Madrid. He said he saw no issue for Flight Attendants who were receiving MEA. He also stated that he has working lunches with other officers. He said that he did order lunch for the budget committee. He took them to dinner and paid for it with the APFA credit card. He said that he has never used the APFA credit card for his personal use. He stated that in all of the years of eating food provided by APFA, no one from APFA has ever instructed him to deduct any amount from his MEA. Exhibit (V-28) is a document of purchased furniture. The three persons listed on the document of the furniture purchase were National Chairs, Shane Staples, the Communication Chair, Gaby Harty, Health and Chuck Ransdale were on the contract. Vargas said the purchase was for the Coordinator's. He asked them to go over to the garage where Bob Ross' apartment and go through the furniture that was there and see what they could use prior to going out and getting new furniture. Exhibit (V-36) is an email from Bob Ross stating that Gaby Harty had resigned and Kim Coats Tuck would be the interim National Health Chair until it is filled with a permanent appointment. Gaby's apartment lease was up in May, five months away and APFA had to pay for it. Vargas decided to move one of the representatives in the back, that there was a full month removal into Gaby's apartment and that would be a net savings for APFA. She moved in until the May 15, 2017 and allowed enough time to take inventory of what was there because the lease was up at the end of the month. Rachel Early worked in the account department and dealt with apartments, took inventory and packed some stuff. Exhibit (V-29) is an email from LaDonna stating that she had contacted, Kiss it Good Buy, and set up a meeting for May 25. Mike Trapp would move the furniture to, Kiss it Good Buy. Exhibit (V-30) is an email from LaDonna Casey to Vargas informing him that the items had been sold and they would send a check to APFA for \$1,159.00. Exhibit (V-33) is a check for \$339.10. All three of the representatives furniture were accounted for and this documentation accounts for the record location of the Ashley furniture addressed in the charges totaling \$8,753.89. Attorney Mark Richards showed him Items 3, 4 and 5 of Exhibit (V-100) the Bob Ross Transition Agreement. Vargas said he did not benefit directly or indirectly from the Ross Transition Agreement. Vargas was asked what the difference was between basic salary and full salary for a National Officer. Basic salary is an hourly rate plus international override and purser pay times a set amount of hours. Full salary would include basic salary and include guaranteed MEA, and guaranteed SAF and Ross was paid this way. Laura Glading received the same as Ross and the BOD agreed. Vargas said that Patrick Hancock informed him that the formula used was a 1987 package formula. Vargas said he entered into a payment agreement to repay the overage debt. Vargas also said that it was his interpretation to change the formula for the MEA, SAF to be included in their payouts.

### THE PLAINTIFF'S ARGUMENTS

Plaintiff argues Vargas violated the detailed language of the APFA expense policy by charging thousands of dollars of unauthorized meals to his APFA credit card. Vargas charged

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meals in his city of residence, Dallas Fort Worth (DFW), when he had no right to meals in his home location, double-dipped when he was receiving per diem out of base, and claimed actual meals while receiving Guaranteed Meal Allowance. Vargas further violated his responsibilities as treasurer by routinely authorizing inappropriate payments to other APFA officers who were committing similar violations of the meal expense policy.

Plaintiff argues Section 5.F of the policy manual provides the following.

1. Per Diem MEA Away From Residence

a. Per Diem Rate (Accountable Plan)

(i) All members shall be entitled to an APFA Meal Expense Allowance (MEA) while performing work for the APFA when away from their residence for one (1) or more nights at the Collective Bargaining Agreement Domestic Per Diem rate while traveling domestically and the Collective Bargaining Agreement International Per Diem rates while traveling internationally, for each hour they are away from their residence.

2. Actual MEA at Residence

a. On days s/he is not trip removed, the APFA will reimburse a representative actual meal expenses at his / her residence city to the limit provided in F.2.a.(1) below when it is necessary to conduct APFA business during such meal, or when a representative is required by the transaction of APFA business to meet during a normal meal time.

(1) Allowable MEA at Residence City is as follows:

Breakfast up to: \$ 6.00

Lunch up to: \$10.00

Dinner up to: \$17.00

Snack up to: \$ 3.00

(2) In addition to the required receipt, all such MEA reimbursements shall require the representative to note the name(s) of the other individual(s) meeting during the meal time and the nature of the APFA business being conducted.

3. Guaranteed MEA at Residence

1. On days a representative is both trip removed by and performing work for the APFA at his / her residence city, such representative will receive a "Guaranteed MEA at Residence" in lieu of any actual MEA at residence as provided in F.2. above.
2. The "Guaranteed MEA at Residence" shall be paid at the rate of twenty-five dollars (\$25) per day.
3. The maximum "Guaranteed MEA at Residence" that will be paid to a member shall be seventy-five dollars (\$75) per week or three hundred dollars (\$300) per month.



4. National Officers, Regional Representatives, National Chairs and other representatives who are authorized a full month trip removal or the equivalent shall receive a “Guaranteed MEA at Residence” of three hundred dollars (\$300) per month.

4. Calculation of MEA

- a. National Officers, Regional Representatives, National Chairs and other representatives who are authorized a full month trip removal or the equivalent (e.g. “Payback” as provided in paragraph D. above) shall receive a minimum MEA of three hundred dollars (\$300) per month.
- b. The combination of “Per Diem MEA Away from Residence” as provided in f.1 above, “Actual MEA at Residence” as provided in F.2 above, and “Guaranteed MEA at Residence” as provided in F.3 above shall not be capped.
- c. MEA expenses will be calculated and paid in the following order:
  - (1) “Per Diem MEA Away from Residence,” then the remaining balance owed, if any, will be paid as
  - (2) Actual MEA at Residence,” then the remaining balance owed, if any, will be paid as
  - (3). “Guaranteed MEA at Residence.”

5. Business Related Expenses

- a. Representatives are authorized to pay for and to be reimbursed for the meal, snack or beverage of a guest(s) or other business associate(s) on those occasions when the representative would reasonably be considered the host of an authorized APFA function or meeting.
  - i. Discretion and good judgment should be used when exercising this privilege and when incurring such legitimate and necessary Business- Related Expense.
  - ii. Abuse, as determined by the Executive Committee, may lead to limitation or revocation of this privilege.
  - iii. In no case may an individual who is otherwise receiving an APFA MEA in any manner be considered the “guest” for the purposes of this provision. The reimbursement of a Business-Related Expense shall not count against a representative's maximum MEA.

Plaintiff argues that Vargas spent thousands of dollars in DFW on meals not allowed by the Policy Manual. The APFA Policy Manual does not permit National Officers to charge actual meals in their City of Residence, except for narrow exceptions. The hosting exception is very narrow. National Officers who travel away from DFW on Union business are paid at per diem at the same rate as American Air Lines Flight Attendants and are not permitted to “Double Dip: and receive actual meal expenses. There is no working lunch exception in the Policy Manual. APFA Representatives are required to follow Provisions of the Policy manual. The Charged parties failed to establish a practice of violating meal policy.

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Plaintiff argues Vargas failed to maintain an inventory of furniture and failed to safeguard union assets as required by the APFA Constitution. Vargas failed to safeguard tens of thousands of dollars of furniture left by his and prior administrations. The evidence will show Vargas misappropriated tens of thousands of dollars of furniture he had no right to take, concealing the fact from the APFA leadership and members. The portion of the charges dealing with furniture reads as follows:

Finally, thousands of dollars of furniture, including furniture purchased by Vargas, is unaccounted for. As Treasurer Vargas had an obligation under the APFA constitution and federal labor law to safeguard union property. On one receipt dated 5/18/16 under Vargas's union credit card charges we found a purchase for \$8733.89 at Ashley furniture. There is no record or inventory of that furniture nor can the furniture be located. The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done.

The Treasurer has the responsibility to safeguard the funds of the APFA union members as outlined in Article III Section 6.E. of the APFA Constitution: Duties of the Treasurer: The Treasurer shall be responsible for the care and custody of the funds and securities of the APFA.

The specific charge was failure to maintain an inventory list but the charges also listed a violation of the broad duty as APFA Treasurer to “be responsible for the care and custody of the funds and securities of the APFA.”

Article VII, Section 2 of the APFA Constitution states members can file charges over “act(s) *and/or* the Article(s) of this Constitution allegedly violated which constitute the basis of the charge(s).” (emphasis added) Here Vargas is charged with both a specific act and a violation of an article of the Constitution.

Vargas did not maintain an inventory list. The Ashley furniture purchased by Vargas cannot be accounted for. The missing furniture from the prior administration. Vargas last minute objections should be rejected. Eugenio Vargas failed to safeguard the furniture of the prior administration.

Plaintiff argues Vargas changed the long-standing formula on the payout of sick and vacation payout to inflate his and his fellow national officer’s payouts by thousands of dollars, failing to inform the Board of Directors.

On his last days in office, Eugenio Vargas changed the longstanding formula on vacation payout to inflate the pay of himself and his fellow officers, Bob Ross, Nena Martin, and Marcy Dunaway. Rather than including just the salary in the payout of vacation, they included items from expenses such as Meal Expense Allowance and SAF.

The policy manual provides that officers may be paid out of unused sick and vacation. (Joint Ex 1.) This should be paid out at their rate of pay. Instead, Vargas inflated their pay to include MEA, SAF and stipend which caused them to each be paid over \$5000 above what they were entitled to.

Section 6.B.1.c of the policy manual allows an outgoing National Officer to be paid out vacation “ at a rate prorated on the National Officer’s annual salary, as defined in 6.A above...” Section 6.A provides the “The salary of the National Treasurer shall be equivalent to the highest purser

flight attendant pay rates, including international override pay, for a flight attendant based on 105 hours monthly.” (Joint Ex 1) There is no ambiguity in the language whatsoever.

Vargas, along with his fellow national officers Marcy Dunaway and Nena Martin, inflated this pay by adding in MEA, SAF and stipend. But nowhere in the policy does it provide that expenses and other payments are included.

This was simply a money grab on their last days in office. Vargas admitted on cross examination that this was his idea to do this and that he did not inform the BOD. (TR 656) Even worse they broke the checks up into a series of four \$4000 checks which they signed for each other three days before they left office. (TR 213-214, 661.) While Vargas claims it was to avoid taxes that makes no sense since lump sum distributions are always taxed the same. A member of the APFA accounting department, Debbie Hoover was subpoenaed and testified in this hearing. Ms Hoover testified that she was ordered to add the MEA, SAF and stipend to their pay. She testified it raised red flags as it “just had not been done that way. It wasn't past practice.”

In an exchange, Patrick Hancock, a longstanding member of the APFA leadership, explained to Vargas and his cohorts that this policy had been in place since 1987 and was very simple. It was based on their pay using their hourly rate. Hancock noted they had paid themselves based on a new formula which added in “things like profit sharing, MEA/SAF, Grand Slam rewards, and who knows what all. This New Formula was not approved by the BOD or EC....”

Plaintiff argues Vargas allowed Bob Ross to be paid expense allowances when he was no longer working for APFA. This payment was not specified in Ross’ exit package.

Bob Ross resigned office in March, 2018 receiving an exit package negotiated by outside attorney Mark Richard. The validity of the Ross exit package is not in play in this arbitration. A separate arbitration ruled the BOD was within their authority to sign that deal. Chinery and Lee were not parties to that case.

Plaintiff argues this case does not challenge the exit package but rather charges Vargas allowed Ross to receive thousands of dollars in payments not provided for in the policy manual or the exit package. The exit package provides that Ross shall receive the following economic items:

3. Bob Ross will continue to receive from APFA his current full salary and benefits including his insurance through July 31, 2018.

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4. APFA agrees to pay Ross all of his accrued and unused back vacation time from April 2016 through July 31 2018.
5. APFA agrees to pay upon his request a one time lump sum in the total amount of ten thousand dollars (\$10,000) which represents Ross's moving expenses. Ross shall present the moving expenses to APFA for payment through 2019.

Nowhere in the exit package language does it specify Ross should get paid expense payments for months he is not working. Yet Vargas paid Ross \$1050 for five months from March through July 2018 for a total of \$5250.

Plaintiff argues Vargas used the union credit card for a rental car while on vacation in Spain as well as charging a meal while also on per diem. Vargas was charged with violating policy by charging a rental car for the week at a cost of almost \$700 when he was on vacation in Madrid, Spain. Additionally, Vargas was charged with violating meal policy by charging meals in Spain while on per diem. Here the record is undisputed that Vargas used the union credit card to purchase the rental car. Vargas claims that he was on vacation with his husband and used the restroom and somehow his credit card was signed. Vargas claims he paid it back on September 9 after discovering the mistake. The question then becomes was this an inadvertent mistake or did Vargas intentionally misuse the credit card and pay after he realized? Current treasurer Erik Harris testified that when Chinery and Lee originally filed the charges he could not find the receipt. (TR 378-382.) The receipt was provided by Vargas. So based on the information available at the time of charging, these charges were proper.

Plaintiff argues Article III, Section 6.E of the APFA Constitution places the responsibility on the APFA National Treasurer the duty to safeguard the assets of the union. Vargas, in fact, did the opposite, repeatedly violating the policy manual for the benefit of himself and others.

Plaintiff's request the following remedy:

1. Vargas repay APFA for the following economic harm:
  - a. Vargas repay APFA for all meals charged to his card which lack a proper receipt containing itemized meal, business purpose, attendees and/or any meal which does not meet the hosting exception. Alternatively, Vargas should repay APFA the value of MEA he received during his term which is \$7500.
  - b. Vargas repay APFA for the fair market value of Greg Gunther's furniture he embezzled.
  - c. Vargas repay APFA for the value of furniture he failed to protect, including from prior administrations.
2. Vargas be prohibited from serving in any APFA position for life.
3. We request that a fine be leveled against Vargas equal to the cost of this arbitration proceeding pursuant to Article, Section 7.C.

4. That APFA be instructed to conduct a full audit of Vargas' administration and assess Vargas any additional funds which are uncovered in the audit.
5. We ask that the arbitrator retain jurisdiction in case the parties cannot agree on any amounts due.

### THE DEFENDANT'S ARGUMENTS

Defendant argues the only issue to be determined is whether former APFA National Treasurer, Eugenio Vargas, committed the following act(s) was a "**willful** violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or Executive Committee" of the APFA Constitution, Article VII, Section 1.F. and did Members Melissa Chinery and Sandra Lee (Plaintiff) willfully bring these charges against the former APFA National Treasurer, Eugenio Vargas (Defendant), without having evidence sufficiently sustain the charges.

Defendant argues that by definition, were the actions of the former APFA National Treasurer, Eugenio Vargas; deliberate, intentional, premeditated or calculated regardless of the consequences or effects? Or were they not accidental or done deliberately with disregard to the APFA Policy Manual or APFA Constitution.

Defendant argues the allegations raised by the Plaintiff against former National Treasurer Eugenio Vargas were not willful or deliberate, intentional, premeditated or calculated. Mr. Vargas however, takes full responsibility for his actions and has provided his full support in Defense of these charges.

Defendant argues the plaintiff has the burden of proof. There are three standards of the burden of proof, (1) preponderance of the evidence, (2) clear and convincing evidence and (3) beyond a reasonable doubt. This obligation has not been met by any the burden of proof standards.

Defendant argues the Plaintiff argued in the Article VII charges the credit card use and expenses, where the union credit card was used for personal use (rental car) in Madrid Spain.

Defendant argues the charging parties cite Policy Manual Section 5.G. in support of their Article VII charges, when the referenced section of the Policy Manual actually applies to "Actual out-of-pocket expenses incurred by a member in conducting APFA business will be reimbursed." Not only was this an invalid citing of the APFA Policy Manual but an indication of their lack of understanding of said policy and it's interpretation, while arguing inaccurate and irrelevant points to support their charges. While on vacation with his spouse in Madrid, Spain, and while awaiting the keys for a rental car at the Enterprise car rental counter, Vargas handed his spouse his wallet to pay for the rental car while he went to the restroom. Upon his return to the car rental counter the rental agreement was ready for a signature and the car was ready for pick up. Not until early September did Vargas realized a mistake had been made with the payment for the rental car while in Madrid, Spain. Vargas realized his spouse had used the APFA Chase Credit Card from his wallet instead of his personal Chase Credit Card, when paying for the car rental in Madrid, Spain. The following day Vargas returned to APFA with the car rental receipt and explained to the APFA senior accountant, Rene Berthelot what had happened, to which he responded "don't worry, all

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you have to do is pay it back. It happens.” Vargas made a payment of \$614.20 to APFA on September 9, 2016, for the personal rental car charge made to his union credit card. Former APFA National Treasurer, Craig Gunter, a licensed CPA, was also questioned on the record about any personal purchases he may have inadvertently made with his union credit card, stating “I could have, but I don’t think I ever charged anything on it, but you know, they’re all in your wallet so.” He further stated, if I had done so “I would have gone to the accountant and said I accidentally did this. Here, let me write you a check”. Former APFA National Treasurer, Craig Gunter, also stated for the record the process for personal purchases inadvertently made on a union credit card by other officers in his administration.

Defendant argues the Current APFA National Treasurer, Erik Harris, also confirmed that the personal car rental purchase inadvertently made by Mr. Vargas on his union credit card while on vacation in Madrid, Spain was reimbursed to APFA. Personal purchases made by other APFA National Officers using their union credit card were identified on the record. Former APFA National Secretary, Jeff Pharr’s union credit card statements revealed multiple personal purchases. Mr. Pharr’s union credit card statements also expose this practice as an acceptable habit, multiple personal credit card charges along with charges identified for other union representatives. Former APFA National Secretary, Jeff Pharr had approximately eight (8) identified personal charges to his union credit card along with personal charges made for other union representatives. Mr. Pharr was subpoenaed without acknowledgement.

Defendant argues that former APFA National Treasurer, Eugenio Vargas was charged with failing in his responsibility to act in accordance with the APFA Policy Manual Section 5.F., by citing “The policy is clear that meals may only be reimbursed on rare and limited occasions when entertaining outside guests and in no instance when all participants are already receiving meal expenses. This is to prevent double dipping by having APFA pay MEA for meal expenses and then also pay for a representative’s meals.”

Defendant argues APFA had no policy in place on how to differentiate or separate any amount from the guaranteed MEA/SAF totals when a National Officer, Regional Representative, National Chair, or another Representative, who are authorized a full month removal and receiving guaranteed payments of MEA/SAF, is considered a host of an authorized APFA meeting. APFA also had no policy in place until this year for a National Officer in relation to ones union credit card practice. Current APFA National Treasurer, Erik Harris clarified this fact on the record. APFA MIA Base President, Randy Trautman also confirmed no policies were in place for said issues. APFA National Treasurer, Erik Harris identified on the record, he himself was non-compliant with the “OLMS Law” by not providing the required information while receiving MEA/SAF and was never charged with Article VII. The Budget Committee meetings hosted by the APFA National Treasurer is one example of an authorized APFA meeting. It is an established practice that has been followed through the years for the APFA National Treasurer to provide lunches/dinners for their committee members. Yvonne Johnston, Craig Gunter and Erik Harris this practice.

Defendant argues that the APFA Board of Directors Annual Convention was held in March 2021, APFA National Vice President, Larry Salas, put forth Resolution No. 10, Business Related Meals, which provides a clear policy on reimbursement of business-related meals and group meals and entertainment expenditures. The APFA Board of Directors unanimously passed this resolution.



This resolution secures the established practice of an APFA Representatives authorization to pay for meals of a guest/business associate when the Representative would be considered the host of an authorized APFA function or meeting, while not counting against a Representatives MEA.

Defendant argues The APFA Chase Credit Card statement dating, May 9, 2016, to June 8, 2016, reflects a purchase made by APFA National Treasurer, Eugenio Vargas, on May 18, 2016, in the amount of \$8733.89 to Ashley Furniture. This purchase was to augment what was needed for the corporate apartments for the three (3) newly appointed APFA National Department Chairs. The G/L Acct 1246 document for Furniture & Fixtures provides a record of items purchased under the name of each APFA National Department Chair and amount spent. The total value of the initial charge differs due to a credit of \$104.98.

Defendant argues that in January 2017, APFA National Health Chair, Gabby Harty tendered her resignation. APFA National President, Robert Ross appointed Kim Coats Tuck, as interim National Health Chair on January 17, 2017. With 5 months remaining on the Harty apartment lease, and in a cost saving measure for the union, Mr. Vargas proffers the empty furnished apartment to full time APFA Representative, Renee Mayer in lieu of her Monday-Friday hotel expenditures. APFA Office Coordinator, LaDonna Casey scheduled an appointment at the end of the Harty apartment lease with “Kiss it Goodbye”, a local consignment shop to provide APFA with an estimate for the accepted furnishings remaining in the Harty apartment. Four (4) months after receiving the furnishings from the Harty apartment, “Kiss it Goodbye” informed APFA with the total dollar amount sold by consignment. APFA received \$1159.00 in payment from “Kiss it Goodbye”. There was extensive testimony and documents exchanged regarding “Kiss it Goodbye” by both parties and the dollar amount (\$1159.00) received. On July 2, 2018, upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for former APFA National Health Chair, Gabby Harty. Chuck Ransdale, after being appointed to the position APFA National Contract Chair, testified that for his corporate apartment, APFA purchased bedroom furniture and mattress/box springs, including queen bed, chest, and nightstand from Ashley Furniture. In December 2017, APFA National Contract Chair, Chuck Ransdale tendered his resignation. The bedroom furniture purchased by APFA from Ashley Furniture was in his corporate apartment when leaving Dallas. Shane Staples, after being appointed to the position APFA National Communications Chair, testified he was instructed to salvage any furniture he could use for his corporate apartment from a garage at the Bear Creek apartment complex, which was being used by APFA as storage. After these items were repurposed, the Ashley Furniture items were purchased. In preparation for the end of his term and transition period, APFA National Communications Chair, Shane Staples completed a detailed inventory of all his furnishings in his APFA corporate apartment, which contained the contents purchased at Ashley Furniture.

Defendant argues Members Melissa Chinery and Sandra Lee have cited language from Section 8.I.3.b.(5) of the APFA Policy Manual which governs the inventory and transfer of Office Equipment only. The Charging Parties have once again quoted and used invalid language to substantiate their Article VII charges against former APFA National Treasurer, Eugenio Vargas.

Defendant argues Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with



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the APFA Policy Manual by citing “ *Vargas failed to properly oversee Ross’ payments and allowed Ross to receive payment for MEA, SAF and Maintaining Office Outside Residence all which is not part of basic salary.*” The APFA has an organizational structure that is two-tier, consisting of Base Presidents, who are the voting members and the four (4) National Officers, who are non-voting members collectively they make up the APFA Board of Director. In February 2018, Charlotte, North Carolina the APFA Board of Directors (BOD) convened for their annual convention, the voting Board of Directors, under strict consult of APFA Legal Counsel, Mark Richard, negotiated a Ross “Transition Agreement.” The negotiations were solely between the voting Board of Directors, APFA Legal Counsel, Mark Richard and APFA National President, Robert Ross. APFA National Treasurer, Eugenio Vargas was neither involved in the negotiations of the Ross “Transition Agreement” nor was he present in the room or a signatory of said agreement. In fact, APFA National Treasurer, Eugenio Vargas, had never viewed the Ross “Transition Agreement” in its entirety, only the economic portions which encompassed covenants #3, #4 and #5.

Defendant argues Members Melissa Chinery and Sandra Lee have alleged that former APFA National Treasurer, Eugenio Vargas, failed in his responsibility to act in accordance with the APFA Policy Manual by citing “ *Vargas failed to properly oversee Ross’ payments and allowed Ross to receive payment for MEA, SAF and Maintaining Office Outside Residence all which is not part of basic salary.*”

Defendant argues the APFA has an organizational structure that is two-tier, consisting of Base Presidents, who are the voting members and the four (4) National Officers, who are non-voting members collectively they make up the APFA Board of Director. In February 2018, Charlotte, North Carolina the APFA Board of Directors (BOD) convened for their annual convention, the voting Board of Directors, under strict consult of APFA Legal Counsel, Mark Richard, negotiated a “Transition Agreement”. The negotiations were solely between the **voting** Board of Directors, APFA Legal Counsel, Mark Richard and APFA National President, Robert Ross. APFA National Treasurer, Eugenio Vargas was neither involved in the negotiations of the Ross “Transition Agreement” nor was he present in the room or a signatory of said agreement. APFA National Treasurer, Eugenio Vargas, had never viewed the Ross “Transition Agreement” in its entirety, only the economic portions which encompassed covenants #3, #4 and #5.

Defendant argues Covenant #3 of the Ross “Transition Agreement” states “APFA agrees that Bob Ross will continue to receive from APFA his current full salary and benefits, including full insurance coverage, through July 31, 2018. Former APFA National Treasurer, Eugenio Vargas, stated for the record the difference between, “Basic Salary” and “Full Salary” regarding a National Officers compensation. Former APFA National President, Laura Glading, also received “Full Salary” upon her exit, per the terms of her “Transition Agreement.” “Full Salary” for a National Officer, per the APFA Policy Manual, Section 5, entitles them to receive guaranteed MEA, SAF and Office Outside Residents payments. This guaranteed payment of \$1050 is included in the gross wages “Box 1” of the National Officers W-2 tax form. Marcus Gluth corroborates the meaning of Basic Salary vs. Full Salary.

Defendant argues The NDAs on both the Glading “Transition Agreement” and the Ross “Transition Agreement” were lifted at the same time by APFA National President, Julie Hedrick,

allowing Members Melissa Chinery and Sandra Lee, to view both agreements in their entirety for any language and payment comparisons. No article VII charges were filed against Laura Glading for her 'Transition Agreement.'

Defendant argues the hearing in the Matter of Arbitration between Julie Moyer (charging party) and the 2018 APFA Board of Directors (charged party), before Article VII Arbitrator, Edward B. Valverde, Esq., was held on June 1-3, 2021, with a decision rendered on September 21, 2021. The Award clearly determined, in line with the charged party's defense, that Article III, Section 3.A authorizes the APFA Board of Directors to take any and all lawful action consistent with the Constitution to safeguard and protect APFA.

Defendant argues Former APFA National Treasurer, Eugenio Vargas used "Full Salary" to calculate the vacation buyback, sick buyback, and end of term calculations for the Ross administration when leaving office, which included MEA and SAF. After numerous requests for a meeting, the first written communication on behalf of APFA was sent by In-House Counsel, Susannah Bender, to the three (3) former National Officers of the Ross administration on September 4, 2019, approximately 2 months after the original Facebook post on July 11, 2019. The letter confirms that certain payouts made in 2018, incorrectly included MEA and SAF in the calculation. The letter continues to request that the "Union be made whole" but still no specific dollar amount owed had been established. Not until September 18, 2019, was the three (3) members of the Ross administration noticed of a dollar amount owed, supported by a single sheet of paper and without documents to substantiate the claim. Patrick Hancock revealed that APFA believed their calculations were correct based on a 1987 formula invented by former APFA National President, Patti Gibbs. Former APFA National Treasurer, Eugenio Vargas, stated for the record that he did include "Full Salary" which included MEA and SAF in the calculations of vacation buyback, sick buyback, and end of term calculations for the Ross administration when leaving office. He has **never** disputed that fact. Mr. Vargas used the same "Full Salary" logic that was used in the calculation of the Ross "Transition Agreement" and the Glading "Transition Agreement." He used the one and only number identified on the officers W-2 as gross wages, which include MEA and SAF in his calculations, but in actuality this calculation was irrelevant due to the fact that a "1987 formula" should have been used.

Defendant requests the Article VII charges against Eugenio Vargas be dismissed in its entirety.

### DISCUSSION AND OPINION

The arbitrator finds the allegations raised by Plaintiff against Defendant, the former National Treasurer Eugenio Vargas must be a *willful violation of an express Article of this Constitution, or of a proper and express written resolution or policy of the Board of Directors or the Executive Committee*. (See Article VII, Section 1) The definition of "willful" has many meanings, its construction often influenced by its context. It often denotes an act which is intentional, or knowing, or voluntary, as distinguished from accidental. But when used in a criminal context it generally means an act done with a bad purpose; without justifiable excuse; stubbornly, obstinately, perversely. It may also be construed to mean an act or omission is willfully done, if done voluntarily and intentionally and with the specific intent to do something the law

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forbids, or with the specific intent to fail to do something the law requires to be done; that is to say, with bad purpose either to disobey or to disregard the law. Additionally, a willful act may be described as done intentionally, knowingly, and purposely, without justifiable excuse as distinguished from an act done carelessly, thoughtlessly, heedlessly, or inadvertently. (Black's Law Dictionary, 5<sup>th</sup> Edition, pg. 1434).

Additionally, the arbitrator is of the Opinion that in order for the Plaintiff to meet its' burden of proof, it must not only be a "willful" violation but such proof must be supported with clear and convincing evidence.

**Issue No. 1: – Violating the Meal Expense Policy**

The arbitrator finds the scope of Section 5.F. of the Policy Manual deals with Meal Expenses/Meal Expense Allowance (MEA); Per diem MEA Away from Residence; Actual MEA at Residence; Guaranteed MEA at Residence; Calculation of MEA and Business Related Expenses.

Plaintiff argued that Former National Treasurer Eugenio Vargas spent thousands of dollars in DFW on meals that are not allowed by the policy manual. Vargas spent \$10,945.28 on his APFA Union credit card on meals during his two-year term of office. Plaintiff submits that many of the meals lacked the proper documentation; by failing to provide an itemized receipt, the purpose, and/or the attendees of the meal. At the same time, Vargas was receiving a guaranteed meal expense allowance of \$300.00 per month for his National Officer position and was therefore double-dipping at the expense of the membership. Thus, for his 25-month tour as National Treasurer, Vargas received \$7,500.00.

The arbitrator finds and the record evidence supports the fact that APFA maintained a check and balance system to insure the proper disposition of these expenses. Lukenmeyer testified expenses are reported on an expense report and are supposed to have two signatures, so there should be another person who is overseeing what the Treasurer is doing or spending, whomever signs the other half of that expense report. Another National Officer is usually the person signing and affirming the expenses are true and accurate. The only way this could be accomplished is by having the proper documentation to include an itemized receipt, the purpose of the meal expense and the name of the attendees. Plaintiff argued Vargas and his fellow National Officers frequented Raven's Grill Country Club. Vargas spent \$1,727.00 on his APFA credit card for several meals at Raven's Grill but other National Officers took turns buying meals for each other on their own APFA credit card. This raises the question as to whether or not the check and balance system had failed. We however have to consider that the person who is approving these expenses was knowledgeable of the policy manual and what was required for it to be a true and accurate expense report was submitted with the proper documentation. Defendant argued this Check and balance procedure is a past practice of prior administrations. Record evidence revealed that this has been a frequent ongoing past practice in several administrations prior to and after the Ross Administration. Plaintiff filed an Article VII charge against Vargas when they could have filed charges on other National Officers as well. Plaintiff represented that these meal expenses lacked the proper documentation. Record evidence revealed there were missing files of the Vargas administration, then it could be conceivable that these missing files contained the rest of the

documentation. Thus, the check and balance system in place may or may not have failed to catch the meal purchases lacked the proper documentation, as we are unsure. Record evidence revealed other National Officers were also taking turns in buying meals on their APFA credit card. They too may not have been aware of this activity could be viewed as “double dipping” to uphold an inappropriate use of the APFA Union credit card. So, when a weekly expense report is submitted to whomever for signature from Vargas, the individual signing it did not foresee a problem and signed off affirming the expenses were true and accurate. Present day National Treasurer Erik Harris testified there has been a lot of interpretation and no definitive policy was in place on the use of the APFA Union credit card. He also said the Union was aware of these shortcomings and the BOD recently took affirmative action and passed Resolution No. 10 - Business Related Meals, Exhibit (V-15) to correct and clarify. Without a clear policy in place, this arbitrator cannot affirm the expenses Vargas submitted for payment was proper.

Thus, the arbitrator is of the Opinion the evidence Plaintiff submitted is their interpretation of what they believe should be considered improper use of an APFA Union credit card. This arbitrator is not persuaded with the evidence presented. Additionally, no questions were asked of Vargas regarding all of these expenses. Plaintiff argued that the APFA Constitution states, “Ignorance of this Constitution will not be considered a proper excuse for any violation of the provisions contained herein.” Without a definitive explanation or proper documentation from Vargas over each expense, we would be guessing if Vargas engaged in improper use of the APFA Union credit card!

It is the arbitrator’s Opinion an independent auditor be hired to audit Vargas APFA credit card usage as to whether proper documentation was provided with the expense reports. Additionally, such auditor shall audit Vargas Tenure as National Treasurer and inspect his APFA credit card statements, expense reports, and whether two signatures were provided and whether it documented the purpose of the meal and with the names of the attendees. Thus, the evidence presented does not establish Vargas’ behavior at this juncture was “willful” in violation of Article VII, Section 1, but if the audit conducted finds Vargas purchased meals for himself only then it would be found that his conduct was “willful” and would require him to repay APFA. This audit would reveal whether Defendant failed in his fiduciary duty as National Treasurer. Moreover, the record evidence at this point is not clear and convincing enough to establish Vargas expenses were inappropriate at this juncture. Only an independent audit will determine whether the evidence compiled is clear and convincing.

Moreover, the arbitrator finds in Exhibit (V-13, dated March 8-10, 2021) Resolution No. 8 where the BOD adopted a new credit card policy for APFA issued credit cards. Under “Documentation of usage” it states,

- a. Each National Officer shall submit an electronic report to the accounting department within thirty (30) days of the end of the month in which the charges were made. The report to be sent to the accounting department shall include:
  - (1) The month and year must clearly be denoted on the report.
  - (2) A copy of the itemized receipts for all purchases made.
  - (3) The department(s)/budgets to which the charges are being made.

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- b. Each report must be signed by two (2) National Officers, one of whom must be the National Officer who submitted the report.

Resolution No. 8 also provides for the “Maintenance of Records”, “Payment of statements should be paid as soon as possible so as to avoid unnecessary interest charges”, “Policy Compliance”, “Training” and all credit card holders are required to sign the APFA Card-Holder Agreement. The National Treasurer will maintain a copy of all signed agreements.

Under these given circumstances Issue No.1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer. Additionally, if the missing files are in the position of the Defendant, it is hereby Ordered that they be turned over to Erik Harris, the National Treasurer for the independent auditor’s audit. In the hearing, Plaintiff argued that some of Defendant’s evidence were part of the missing documents. If not provided, an adverse inference may be drawn.

**Issue No. 2: - Failing to Maintain an Inventory list thereby violating Article 11, Section 6.E. of the APFA Constitution by failing to maintain Union assets?**

Plaintiff argued that Vargas handling of APFA furniture is unaccounted for. Plaintiff stated,

*“Finally, thousands of dollars of furniture, including furniture purchased by Vargas, is unaccounted for. As Treasurer Vargas had an obligation under the APFA constitution and federal labor law to safeguard union property. On one receipt dated 5/18/16 under Vargas's union credit card charges we found a purchase for \$8733.89 at Ashley furniture. There is no record or inventory of that furniture nor can the furniture be located. The APFA policy manual requires that the National Treasurer inventory equipment and monitor the transfer of equipment between representatives. This was never done.*

*The Treasurer has the responsibility to safeguard the funds of the APFA union members as outlined in Article III Section 6.E. of the APFA Constitution: Duties of the Treasurer: The Treasurer shall be responsible for the care and custody of the funds and securities of the APFA.”*

Plaintiff argued Vargas is charged with an act of omission, the failure to maintain an inventory of furniture. Vargas is also charged with a violation of a specific Article of the Constitution, which is his duty “to safeguard the funds of the APFA union members as outlined in Article III, Section 6.E. of the APFA Constitution.”

Plaintiff requested of then National Treasurer Craig Gunther to supply the inventory lists and Craig Gunther testified the APFA has no records of furniture from Vargas’ tenure as National Treasurer. This is corroborated by present National Treasurer Erik Harris who also stated there is no record of inventory from the Vargas Administration.

Record evidence revealed the Defendant submitted a depreciation list which referenced the furniture but according to Erik Harris’ testimony, a depreciation list does not constitute a proper



inventory list. Defendant argued the Ashley Furniture has been accounted for as Vargas purchased the furniture for three committee chairs, Gaby Harty, Chuck Ransdale and Shane Staples.

Defendant argued the APFA Chase Credit Card statement dating, May 9, 2016, to June 8, 2016, reflects a purchase made by APFA National Treasurer, Eugenio Vargas, on May 18, 2016, in the amount of \$8733.89 to Ashley Furniture. This purchase was to augment what was needed for the corporate apartments for the three (3) newly appointed APFA National Department Chairs. The General Ledger Account 1246 document for Furniture & Fixtures provides a record of items purchased under the name of each APFA National Department Chair and amount spent. The total value of the initial charge differs due to a credit of \$104.98.

Defendant argued that in January 2017, APFA National Health Chair, Gabby Harty tendered her resignation. APFA National President, Robert Ross appointed Kim Coats Tuck, as interim National Health Chair on January 17, 2017. With 5 months remaining on the Harty apartment lease, and in a cost saving measure for the union, Vargas proffers the empty furnished apartment to full time APFA Representative, Renee Mayer in lieu of her Monday-Friday hotel expenditures. APFA Office Coordinator, LaDonna Casey scheduled an appointment at the end of the Harty apartment lease with “Kiss it Goodbye”, a local consignment shop to provide APFA with an estimate for the accepted furnishings remaining in the Harty apartment. Four (4) months after receiving the furnishings from the Harty apartment, “Kiss it Goodbye” informed APFA with the total dollar amount sold by consignment. APFA received \$1159.00 in payment from “Kiss it Goodbye”. There was extensive testimony and documents exchanged regarding “Kiss it Goodbye” by both parties and the dollar amount (\$1159.00) received. On July 2, 2018, upon the departure from his position as APFA National Treasurer, Eugenio Vargas had accounted for all of the furniture purchased from Ashley Furniture for former APFA National Health Chair, Gabby Harty. Chuck Ransdale, after being appointed to the position APFA National Contract Chair, testified that for his corporate apartment, APFA purchased bedroom furniture and mattress/box springs, including queen bed, chest, and nightstand from Ashley Furniture. In December 2017, APFA National Contract Chair, Chuck Ransdale tendered his resignation. The bedroom furniture purchased by APFA from Ashley Furniture was in his corporate apartment when he left Dallas. Shane Staples, after being appointed to the position APFA National Communications Chair, testified he was instructed to salvage any furniture he could use for his corporate apartment from a garage at the Bear Creek apartment complex, which was being used by APFA as storage. After these items were repurposed, the Ashley Furniture items were purchased. In preparation for the end of his term and transition period, APFA National Communications Chair, Shane Staples completed a detailed inventory of all his furnishings in his APFA corporate apartment, which contained the contents purchased at Ashley Furniture.

Plaintiff argued Vargas violated his duty as National Treasurer of APFA to safeguard union property as required in Article III, Section 6.E.

Plaintiff argued the APFA Constitution, Article VII, Section 6.D specifies the procedure a charged party can utilize if they want to narrow the scope of charges, stating:

- D. The Article VII Arbitrator may, on his/her own motion, or upon motion filed by the accused, determine that charges are

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not sufficiently specific and that they will be dismissed unless the accuser amends them to provide sufficient specificity.

Here, Defendant objected at hearing for Plaintiff broadening the scope of this charge over questions asked of Vargas regarding Greg Gunter's furniture that he had purchased it for his own personal use. Defendant states the charges were deemed valid, timely and specific before the EC and it only raised issues with Ashley Furniture. Defendant agrees Vargas needs to answer to the charge of the Ashley furniture of \$8,733.95 that he purchased as the Treasurer of APFA. Plaintiff however argues Defendant failed to follow proper procedure in raising objections and in doing so failed to follow the APFA Policy Manual and Constitution. By failing to follow proper procedure, Defendant raised an objection in a manner which does not protect the rights of the charging parties. This arbitrator does not agree, the Ashley Furniture is the only issue that is valid, specific and timely in the grievance charges. It does not say anything else about Greg Gunter's furniture. Plaintiff failed to amend the grievance charge to include Greg Gunter's furniture. By Plaintiff raising this additional issue at hearing for the first time, this is an attempt by Plaintiff to engage in an "ambush through arbitration." Thus, the objection raised by Defendant is correct and is hereby sustained.

Plaintiff argued that Section 8.I.3.b.(5) of the Policy Manual deals with the National Treasurer duty to maintain a procedure to monitor the transfer of equipment, when appropriate, between representatives in the field. The arbitrator finds no evidence was presented to support this allegation.

The arbitrator finds Vargas failed to prepare an inventory list. This arbitrator is of the Opinion that all of the Ashley furniture has been fully explained and accounted for. Record evidence however revealed there was no inventory list prepared and Harris testified there was no inventory list. Under these circumstances, Vargas did fail in his fiduciary duty as National Treasurer to prepare an inventory list to maintain Union assets and violated Article 1, Section 2.J, Section 7.E.O.Q and Article III, Section 6.E. of the APFA Constitution.

Thus, it is the arbitrator's Opinion Issue #2 has merit by Vargas failing to prepare an inventory list to maintain Union assets.

**Issue No. 3 Allowing himself and his fellow National Officers to receive inflated sick and vacation payouts when they were not entitled to such, and**

**Issue No. 4 Allowing the payment to former National President Bob Ross thousands of dollars in Meal Expenses Allowance (MEA) and SAF when he was no longer working for APFA?**

The arbitrator has consolidated Issue No. 3 and Issue No. 4 as it involves the same issue.

Plaintiff argued that Vargas changed the longstanding formula on vacation payout for himself and fellow officers Bob Ross, Nena Martin and Marcy Dunaway. Vargas included expense items such as Meal Expense Allowance (MEA) and SAF.



Plaintiff argued the Policy Manual provides that officers may be paid out of unused sick and vacation. This should be paid at their rate of pay. Vargas inflated their pay to include MEA, SAF and stipend, which created an overpayment of \$5,000.00 above what they were entitled.

Plaintiff argued Section 6.B.1.c of the Policy Manual allows an outgoing National Officer to be paid out vacation “at a rate prorated on the National Officer’s annual salary, as defined in 6.A above...” Section 6.A provides, “The salary of the National Treasurer shall be equivalent to the highest purser flight attendant pay rates, including international override pay, for flight attendant based on 105 hours monthly.” Plaintiff argued this was simply a money grab on their last days in office. Vargas admitted on cross-examination that this was his idea to do this and that he did not inform the BOD. Even worse they broke the checks up into a series of four \$4000.00 checks which they signed for each other three days before they left office. Vargas claimed it was to avoid taxes.

Plaintiff presented accountant Debbie Hoover who testified that National Officer Eugenio Vargas approached her about changing the formula. She said she was also told to add SAF and MEA. This did raise a red flag with her because this has never been done before, it wasn’t past practice and this was completely different. On cross-examination, she said Senior Accountant Rene Berthelot worked with her. She said in box number 1 of Vargas W-2 is everything you get paid minus the 401K because that’s nontaxable. She was asked if that would include MEA, SAF and an office outside of residence and she said they were all included in box 1.

Defendant Vargas testified that Attorney Mark Richards showed him only the economic Items 3, 4 and 5 of the Bob Ross Transition Agreement, Exhibit (V-100). Vargas said he did not benefit directly or indirectly from the Ross Transition Agreement. Vargas was asked what the difference was between basic salary and full salary for a National Officer. Vargas stated that Basic salary is an hourly rate plus international override and purser pay times a set amount of hours. Full salary would include basic salary and include guaranteed MEA, and guaranteed SAF and this is what Ross was paid. Laura Glading in her exit agreement received the same as Ross and the BOD agreed.

Defendant Vargas takes full responsibility for his actions involving his oversight and payment of the Ross “Transition Agreement” after only viewing the economic portions, which encompassed covenants #3, #4 and #5 and has provided his full support in these charges, including the mathematical determination he created to be used for “Full Salary” vs “Basic Salary” for said payments. The Ross “Transition Agreement” has been deemed valid by Arbitrator, Edward B. Valverde, and the actions of the APFA Board of Directors were permissible under the provisions of the APFA Constitution and no evidence that the APFA Board of Directors was fiscally irresponsible when entering into the Ross “Transition Agreement”.

Defendant Vargas takes full responsibility for his actions involving his changing of the mathematical formula when using “Full Salary” vs “Basic Salary” to calculate the vacation buyback, sick buyback, and end of term calculations for the Ross Administration when leaving office. Vargas said that Patrick Hancock informed him that the formula always used was a 1987 package formula. Vargas has provided his full support in these charges, including months of

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correspondence between the three former officers, APFA National Officers, APFA Board of Directors, APFA In-House Counsel, APFA Executive Committee and Members Melissa Chinery and Sandra Lee, by providing a clear picture of his willingness to repay the overage, once established from the “1987” formula that was exposed months after the July 11, 2019, Facebook post by Member Sandra Lee. Eugenio Vargas never stated he would not pay an amount if owed, but expected the calculation to be accurate and accounted for.

The arbitrator finds Vargas interpretation of the Ross Transition Agreement to not only include MEA and SAF but he included a stipend. Vargas had instructed Hoover to change the formula to include MEA and SAF and the stipend in the payouts of National Officers Ross, Martin, Dunaway and himself. Thereafter, written communication on behalf of APFA was sent by In-House Counsel, Susannah Bender, to the three (3) former National Officers of the Ross administration on November 8, 2019, stating “*After the meeting held on October 30, 2019, to allow you to review the independent auditor’s calculations, it is our understanding that you take issue with how the calculations were made. We researched the issue again and believe our initial calculation is correct*”.

Defendant argued in the calculations provided at the October 30, 2019, meeting, simple math was used to determine the alleged monies owed by taking “**Full Salary**” minus “**Basic Salary**”, then stating the difference was MEA and SAF. Calculating MEA and SAF in this manner was incorrect due to other income being included in the “**Full Salary**”, like the UAL Arbitration payout, which provided a pay increase with retroactive pay.

The arbitrator finds in the APFA Executive Committee meeting dated December 5-7, 2019 Resolution #69 where the EC resolved this matter by stating, “that if the repayment plan is not received, the APFA Attorney is directed to file a State Civil lawsuit no later than January 6, 2020 to collect these funds,” and any settlement agreements be approved by the Executive Committee prior to APFA acceptance.

Defendant Vargas said he has since entered into a payment agreement to repay the overage debt. Vargas admitted that it was his interpretation of the Ross Transition agreement to change the formula for the MEA, SAF to be included in their payouts and this is what created the overage.

It is this arbitrators Opinion, Vargas attempted to benefit monetarily and thus failed in his fiduciary duty as National Treasurer by willfully changing the formula for the payouts for Bob Ross, Nena Martin and Marcy Dunaway as well as himself.

It is therefore the Opinion of this arbitrator, Issue No. 3 has merit as Vargas violated his fiduciary duty as National Treasurer.

With respect to Issue No. 4, the arbitrator finds Vargas admitted that he had changed the formula, this has been established in Issue No. 3. But in Issue No. 4, Plaintiff argued that Vargas paid Ross MEA and SAF when he was not working. Under item No. 3 of the Ross Transition Agreement, it clearly states, “*APFA agrees that Ross will continue to receive from APFA his current full salary and benefits, including full insurance coverage, through July 31, 2018.*” The Ross agreement is binding as stated by Arbitrator Edward B. Valverde. Vargas did include MEA

and SAF in Ross's salary in accord with Item No. 3 as well as Item No. 4. *"APFA agrees to pay Ross all of his accrued and unused sick and accrued and unused vacation time, from April 1, 2016 through July 31, 2018."* But Ross too received an overage because Vargas had changed the formula and he too is required to pay the debt owed.

In Issue No. 4, Ross did receive an overpayment because Vargas admittedly changed the formula. It is my understanding Ross has an outstanding debt with the APFA. It is clear Vargas manipulated the payout formula. In the Bob Ross Transition Agreement, MEA and SAF were included. The issue with MEA and SAF has been resolved as well as the overpayment to Ross, Nena Martin, Eugenio Vargas and Marcy Dunaway. Dunaway and Vargas have agreed to a payment plan and Martin has paid her debt in full. Only Ross has not paid. Thus, Issue No. 4 has been resolved and is now moot.

#### **Issue No. 5 Violating the credit card policy by charging a rental car and meals for a trip to Spain?**

Here, Vargas made two trips to Madrid Spain. One was for vacation and the other was work related for the APFA where he engaged in a time study aboard a 787 airplane. On the vacation trip, he approached the Enterprise Rental Car counter to rent a car. He told his spouse he needed to go to the restroom and gave his spouse his wallet. Upon his return was the rental agreement and he signed it. He did not notice the charge was on the APFA Union credit card and not on his Chase Visa card. In early September when the bill for the credit card came in, he was doing reconciliation of the credit card bill and noticed the Enterprise charge. When he arrived home, he obtained the enterprise receipt and noticed that the APFA credit card was used. He brought the receipt back to APFA the following morning and when senior Accountant Rene Berthelot arrived to work, he told him what happened. Berthelot said all you have to do is pay it back. He paid it back on September 9. Exhibit (V-19) is Vargas personal Chase account. Exhibit (V-20) is proof that Vargas made the payment and reconciled the rental car from his personal account for the full amount. Exhibit (V-21) is the bill in question. The total amount was \$872.34 and deducted a credit of \$258.07 (Deposit) owing APFA \$614.29. He charged a meal, and this occurred when American Airlines introduced the premium economy class on the 787 aircraft with the time study.

The arbitrator finds Vargas in this instance recognized the charge of the rental car he rented in Spain while on vacation. The charge was on his APFA credit card statement. Vargas paid back the APFA \$614.29. This reveals Vargas recognized that he had made an error and rectified it. As to the meal alleged this was a work-related meal when he conducted the time study on a trip to Madrid. It is therefore, the Opinion of this arbitrator this matter is now moot. Thus Issue No. 5 has no merit.

#### **Conclusion**

The arbitrator having found no merit to Issue # 4, #5 are hereby dismissed. Issue #2, #3 have merit. Issue No.1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer. Additionally, if there are missing files in the possession of the Defendant, it is hereby Ordered that they be turned over to Erik Harris,

**RE: Charging Party Members Melissa Chinery and Sandra Lee (Plaintiff) vs. Charged Party Member Eugenio Vargas (Defendant), Article VII Hearing**

the National Treasurer for the independent auditor's audit. If not, an adverse inference may be drawn.

### **Remedy**

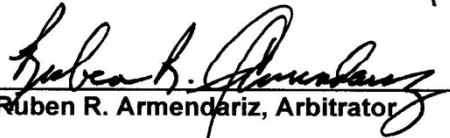
Vargas is to repay APFA for the following:

1. If after the Independent Auditors audit is completed and he/she determines that Vargas had used the APFA credit card for his own personal use on meals during his tenure as National Treasurer, Vargas is hereby Ordered to repay APFA for all meals he charged to the APFA credit card.
2. Vargas is prohibited from serving in any APFA National Officer position or Regional Officer position for life.
3. Vargas is hereby fined and Ordered to repay the APFA for half of the Arbitrator's Fee for this arbitration.
4. The arbitrator shall retain jurisdiction for 90-days over any issue involving this remedy only. Moreover, if the Independent Auditor determines any monies are due from Vargas, that will be the amount to be assessed or due and the BOD or EC shall Order said repayment from Vargas.

### **AWARD**

The grievance is sustained in part and dismissed in part as stated above.

Issued in San Antonio, Texas, the 18<sup>th</sup> day of February, 2022.

  
Ruben R. Armendariz, Arbitrator

**In the Matter of Arbitration Between**

**Melissa Chinery**

**Sandra Lee**

**APFA Charging Party Members  
(Plaintiff).**

**And**

**Eugenio Vargas, Former APFA  
National Treasurer**

**APFA Charged Party Member  
(Defendant)**

**RE: Article VII Charges  
Violations of APFA Constitution  
and APFA Policy Manual**

**Supplemental Decision  
Over**

**APFA's Request for Clarification of the Remedy.**

APFA's General Counsel Margot Nikitas has requested clarification of certain items of the Remedy as set forth in the Eugenio Vargas Decision that issued on February 18, 2022.

Ms. Nikitas has submitted the following questions for clarification.

**Question No. 1**

**1. Independent Auditor – Paragraph 1 of the Remedy.**

*"Issue No. 1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer."*

Please clarify what is meant by Vargas's "personal use" as stated in paragraph 1 on page 39 of the decision. Would Vargas be required to repay APFA for only those meals he purchased for his own personal use, or for all meals purchased. And who is responsible for paying the cost of the Independent Auditor?

**Question No. 2**

**2. Paragraph 2 of the Remedy.**

Is the intent of paragraph 2 of the remedy that Vargas is prohibited from holding any elected position within APFA? Does this apply to ad hoc positions, elected and/or appointed members of



the negotiating committee and/or any other appointed positions. APFA does not have a position titled "Regional Officer."

### The Remedy

The arbitrator has considered APFA's Request for Clarification of the Remedy and submits the following: "Issue No. 1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer." The term "personal use" on page 39 of the Vargas decision refers only to Vargas' purchase of meals on the APFA credit card. However, the Independent Auditor is tasked to audit Vargas APFA credit card usage during his term in office as a National Treasurer. Record evidence revealed Vargas had purchased meals several times for himself only at fast food establishments and for others on the APFA credit card. The Independent Auditor will have to determine if such meal purchases were for conducting union business. Vargas as National Treasurer was required to submit documentation to support all meal expense(s). If no documentation was provided to support the meal expenses, Vargas will be required to repay APFA for all of those meals. Moreover, the audit must comply with federal income tax guidelines which distinguish between personal and nonpersonal expenses.

With respect as to who shall pay the Independent Auditor's fee, the APFA will have this responsibility. However, Vargas is hereby Ordered to repay  $\frac{1}{4}$  of the Independent Auditor's fee to the APFA.

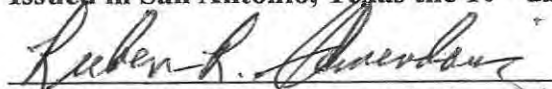
Under these circumstances, Item No. 1 of the Remedy is hereby modified to read as follows:

1. *Issue No. 1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer. Vargas is hereby Ordered to repay APFA for all meals he purchased on the APFA credit card for himself and for all other meals he has not properly documented. If he has failed to provide documentation to support the purchase of the meal expense, the Independent Auditor must determine if said expense was or was not for the sole purpose of conducting Union business. Moreover, the audit must comply with federal income tax guidelines which distinguish between personal and nonpersonal expenses.*

Additionally, Item 2 of the Remedy has created confusion as to its intent and coverage. Therefore, Item No. 2 is hereby modified to read as follows.

2. *Vargas is prohibited from serving any official position within the organization that is set forth and included in the APFA Constitution and Policy Manual that is covered or identified. This is to bar Vargas from any official position for life other than that of member.*

Issued in San Antonio, Texas the 10<sup>th</sup> day of March 2022.

  
Arbitrator Ruben R. Armendariz

AGREED-UPON PROCEDURES  
Association of Professional Flight Attendants  
*Procedures Related to Eugenio Vargas*



AGREED-UPON PROCEDURES

Association of Professional Flight Attendants

*Procedures Related to Eugenio Vargas*

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*Independent Accountant's Report*

To the Board of Directors  
 Association of Professional Flight Attendants ("APFA") &  
 Arbitrator Ruben R. Armendariz

We have performed the procedures enumerated below regarding the forensic analysis mandated by Arbitrator Ruben R. Armendariz in his decision dated February 18, 2022 (the "arbitration decision") and supplemental decision dated March 10, 2022 (the "supplemental decision") on the matter between Melissa Chinery and Sandra Lee, APFA Charging Party Members ("Plaintiff") and Eugenio Vargas, Former APFA National Treasurer and APFA Charged Party Member ("Defendant"). APFA is responsible for selecting the procedures used in our analysis and for ensuring they meet the relevant criteria specified in the arbitration decision's and supplemental decision's remedy.

APFA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying the relevant sections of the arbitration decision's remedy. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are detailed below. All of the procedures performed were related to Remedy #1 of the Supplemental Decision, which is reproduced in-full in the paragraph below.

1. *Issue No. 1 is remanded to the BOD or EC to hire an Independent Auditor to audit Vargas credit card charges during his term as National Treasurer. Vargas is hereby Ordered to repay APFA for all meals he purchased on the APFA credit card for himself and for all other meals he has not properly documented. If he has failed to provide documentation to support the purchase of the meal expense, the Independent Auditor must determine if said expense was or was not for the sole purpose of conducting Union business. Moreover, the audit must comply with federal income tax guidelines which distinguish between personal and nonpersonal expenses.*

**Procedure #1**

Obtain a record of all credit card transactions initiated by Eugenio Vargas on the APFA credit card for the period from April 1, 2016, to July 31, 2018. If the record is not in the form of the original credit card statement, perform necessary tests to ensure completeness of the report.

**Findings:** We obtained a monthly list of Eugenio Vargas's credit card charges from April 11, 2016 to August 28, 2018, which was in the form of an excerpt from the APFA credit card statements and an internal allocation to the entity's general ledger expense accounts. We also obtained scanned copies of the original Chase credit card statements for account 4246 3152 1635 5741 which included transactions from April 11, 2016 through August 28, 2018. The statements included charges from all authorized users and was segregated by cardholder. Each month's list of charges made by Eugenio Vargas agreed to the cardholder total listed on the monthly Chase credit card statement without exception. APFA has made representations that Mr. Vargas did not have access to an APFA credit card until April 11, 2016, as the Chase account was not opened until this date. Therefore, there was no record of credit card transactions for the period from April 1, 2016 to April 10, 2016.



## Procedure #2

Obtain supporting documentation for all credit card transactions initiated by Eugenio Vargas on the APFA credit card for the period from April 1, 2016, to July 31, 2018.

**Findings:** We obtained scanned copies of purchase orders, invoices, signed and itemized credit card receipts, and other documentation showing details of the purchased goods or services. Some supporting documentation was illegible or unreadable. Therefore, we scheduled and performed an on-site inspection of certain documents. In regard to the scanned documents, we deemed illegible or unreadable, we noted instances for which APFA was unable to provide a legible copy or original document. Some supporting documentation requested was not provided by APFA due to items being lost or not received by Mr. Vargas. See the findings in Procedure #3 for more details.

## Procedure #3

Conclude whether charges on Eugenio Vargas's APFA credit card for the period from April 1, 2016 to July 31, 2018 were properly supported by documentation provided by Mr. Vargas.

**Findings:** A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.

	<b>Number of Charges</b>	<b>Amount of Charges</b>
Total charges during the testing period where we were provided with sufficient appropriate documentation	387	\$ 80,473.29
Total charges during the testing period where incomplete or insufficient documentation was provided	-	-
Total charges during the testing period where no documentation was provided	140	8,870.69
<b>Total charges during the testing period</b>	<b>527</b>	<b>\$ 89,343.98</b>

## Procedure #4

Classify charges on Eugenio Vargas's APFA credit card for the period from April 1, 2016 to July 31, 2018 by the following categories: (a) meals and entertainment, (b) travel, (c) automotive and car rental, and (d) other.

**Findings:** A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.



Classification	Number of Charges	Amount of Charges
Meals and entertainment	164	\$ 16,251.46
Travel	91	14,278.01
Automotive and car rental	56	7,788.85
Other	216	51,025.66
<b>Total charges during the testing period</b>	<b>527</b>	<b>\$ 89,343.98</b>

#### Procedure #5

For charges on Eugenio Vargas's APFA credit card for the period from April 1, 2016 to July 31, 2018 classified as meals and entertainment in Procedure #4 and where documentation could be reviewed, conclude whether the documentation was sufficient to support classification as a business (non-personal) expense. We based our conclusion on the documentation available for review, the guidelines in IRS Publication 463, *Travel, Gift, and Car Expenses*, the guidelines in IRS Publication 535, *Business Expenses*, relevant Tax Court opinions, and our professional judgement.

**Findings:** We identified \$13,914.87 in transactions related to meals purchased on the APFA credit card exclusively for Eugenio Vargas or for other meals not properly documented. A summary of the results of this procedure is listed in the table below and presented in detail in Exhibit A.

In applying relevant guidance to this procedure, we consulted certain Tax Court opinions including *Brown v. Comm'r*, Docket No. 16604-19 (U.S.T.C. Mar. 18, 2021) (an adequate record must also be a contemporaneous record) and *Heinbockel v. Comm'r*, T.C. Memo. 2013-125 (U.S.T.C. May. 13, 2013) (disallowance of deductions for meal expenses with employees or coworkers without a wholly documented business purpose). The guidance in the IRS Publications and these opinions emphasize that a receipt alone will not meet the standard to be considered a business expense. Further, business meals must be substantiated by all five of the following: (1) amount, (2) date, (3) location, (4) business purpose of the meal, and (5) identification of individuals present. The business purpose may be simple and brief.

Charges with all five required elements are listed in the table below as "Charges with Sufficient Documentation" and charges lacking any of the five required elements are listed as "Charges without Sufficient Documentation."



	<u>Number of Charges</u>	<u>Amount of Charges</u>
<b>Charges with Sufficient Documentation:</b>		
Charges with documentation supporting both (a) documented purpose for union-related business, and (b) names of individuals in attendance	25	\$ 2,336.59
	<u>25</u>	<u>\$ 2,336.59</u>
<b>Charges without Sufficient Documentation:</b>		
Charges with documentation supporting only a purpose for union-related business but did NOT include the names of individuals in attendance	54	6,407.48
Charges with documentation supporting only the names of individuals in attendance but did NOT include support for a documented purpose for union-related business	28	1,596.06
Charges with documentation provided but did NOT include support for a documented purpose for union-related business and did NOT include the names of individuals in attendance	46	5,813.29
No documentation was provided	11	98.04
	<u>139</u>	<u>\$ 13,914.87</u>
<b>Total charges during the testing period</b>	<u><b>164</b></u>	<u><b>\$ 16,251.46</b></u>

**Procedure #6**

Review each expense report submitted by Eugenio Vargas for the period from April 1, 2016 to July 31, 2018 and determine if two signatures of approval were obtained.



**Findings:** A summary of the results of this procedure is listed in the table below. We were unable to obtain expense reports for the period from April 1, 2016 to December 31, 2016.

Month	First Approval		Second Approval	
	Obtained? (Y or N)	Individual Approving	Obtained? (Y or N)	Individual Approving
January 2017	N	N/A	N	N/A
February 2017	Y	Nena Martin	Y	Bob Ross
March 2017	Y	Nena Martin	Y	Marcy Dunaway
April 2017	Y	Bob Ross	Y	Marcy Dunaway
May 2017	Y	Nena Martin	Y	Marcy Dunaway
June 2017	Y	Marcy Dunaway	Y	Nena Martin
July 2017	Y	Nena Martin	Y	Bob Ross
August 2017	Y	Nena Martin	Y	Marcy Dunaway
September 2017	Y	Nena Martin	Y	Bob Ross
October 2017	Y	Nena Martin	Y	Marcy Dunaway
November 2017	Y	Nena Martin	Y	Marcy Dunaway
December 2017	Y	Nena Martin	Y	Bob Ross
January 2018	N	N/A	Y	Marcy Dunaway
February 2018	Y	Marcy Dunaway	Y	Nena Martin
March 2018	Y	Nena Martin	Y	Marcy Dunaway
April 2018	Y	Nena Martin	Y	Marcy Dunaway
May 2018	N	N/A	Y	Marcy Dunaway
June 2018	Y	Nena Martin	Y	Marcy Dunaway
July 2018	Y	Lisabeth Hillman	Y	Craig Gunter

#### Procedure #7

Communicate to the Board of Directors and Arbitrator any transactions for which we were unable to obtain sufficient appropriate evidence or where we believe the transaction was recorded improperly.

**Findings:** We were not able to obtain sufficient evidence for 140 credit card transactions. Refer to Exhibit A for details on these transactions.

We noted that expense reports for 2016 were lost and not able to be provided.



Our fees related to this engagement totaled \$8,425. Copies of our invoices are included in Exhibit B.

We were engaged by APFA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion on the entity's financial statements as a whole. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of APFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

*Cornwell Jackson, PLLC*

Cornwell Jackson  
Plano, TX  
August 5, 2022





**Exhibit A**

List of Credit Card Transactions for the Period of April 1, 2016 to July 31, 2018 and Relevant Testing Performed

Agreed-Upon Procedures - Eugenio Vargas

List of Credit Card Transactions for the Period of April 1, 2016 to July 31, 2018 and Relevant Testing Performed

Summary of Findings		
	Amount	No. of Transactions
Charges with with sufficient appropriate documentation:	80,473.29	387
Charges with incomplete or insufficient documentation:	-	-
Charges with no documentation:	8,870.69	140
	89,343.98	527
	Amount	No. of Transactions
M&E Transactions With Support for Individuals in Attendance & Purpose:	2,336.59	25
M&E Transactions With Support for Individuals in Attendance Only:	1,596.06	28
M&E Transactions With Support for Purpose Only:	6,407.48	54
M&E Transactions Lacking Support for Individuals in Attendance & Purpose:	5,813.29	46
M&E Transactions With No Support:	98.04	11
	16,251.46	164

Data from Chase Credit Card Statements - Procedure #1			Supporting Documentation Provided? (Y or N) Procedure #2 & #3		Documentation Description Procedure #2 & #3		Transaction Classification Procedure #4		For Meals & Entertainment Transactions Only		Additional Comments
Date	Amount	Vendor/Co							Individuals Present Listed on Support (Y or N) Procedure #5	Business Purpose Listed on Support? (Y or N) Procedure #5	
5/9/2016	96.67	FRATELLI PIZZA	Y		Receipt		Meals & Entertainment		N	Y	
5/12/2016	409.64	AIR CANADA	Y		Email Confirm		Travel				
5/12/2016	409.64	AIR CANADA	Y		Email Confirm		Travel				
5/13/2016	10.00	CHEAPOAIR	Y		Email Confirm		Travel				
5/18/2016	917.00	DEPENDABLE AUTO SHIPPERS	Y		Invoice		Automotive & Car Rental				
5/18/2016	8,733.89	ASHLEY FURNITURE	Y		Receipt		Other				
5/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
5/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
5/19/2016	2.00	AUTO RENEWAL STICK	Y		Vehicle Renewal Form		Automotive & Car Rental				
5/19/2016	78.00	TARRANT COUNTY VRF	Y		Vehicle Renewal Form		Automotive & Car Rental				
5/19/2016	14.82	TACOCABANA	Y		Email Receipt		Meals & Entertainment	N	Y		
5/19/2016	41.21	TACOCABANA	N		N/A - No Support Provided		Meals & Entertainment	N	N		
5/22/2016	22.00	NTTACUSTVC	Y		Transaction List		Travel				
5/26/2016	20.00	UNCLE BOB'S	Y		Receipt		Other				
5/31/2016	264.13	DALWORTH CARPET CLEANING	Y		Service Invoice		Other				
5/31/2016	147.06	HILTON ROSEMONT	Y		Confirm		Travel				
6/2/2016	77.75	T-MOBILE	Y		Receipt		Other				
6/3/2016	224.24	POTBELLY	Y		Email Receipt & Correspondence		Meals & Entertainment	N	Y		
6/7/2016	98.53	VILLA GRANDE	Y		Receipt		Meals & Entertainment	N	Y		
6/13/2016	144.88	WALMART	N		N/A - No Support Provided		Other				
6/14/2016	15.51	WALGREENS	Y		Receipt		Other				
6/16/2016	549.00	AATRIX SOFTWARE	N		N/A - No Support Provided		Other				
6/17/2016	74.69	WALMART	Y		Receipt		Other				
6/17/2016	38.55	RAVEN'S GRILLE EULESS TX	Y		Receipt		Meals & Entertainment	Y	Y		
6/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
6/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
6/20/2016	37.50	RAVEN'S GRILLE EULESS TX	Y		Receipt		Meals & Entertainment	Y	Y		
6/22/2016	49.20	PEI WEI PHEONIX	Y		N/A - No Support Provided		Meals & Entertainment	N	Y		
6/24/2016	112.90	DON DAVIS DODGE	Y		Invoice		Automotive & Car Rental				
6/27/2016	64.00	ROCKET THEME	N		N/A - No Support Provided		Other				
6/28/2016	8.35	FEDEX	Y		Receipt		Other				
6/28/2016	389.82	CARRABBAS	Y		Receipt		Meals & Entertainment	N	Y		CJ noted that the receipt provided showed a different amount than the statement; the amount on the receipts was \$391.80
6/30/2016	49.63	RAVEN'S GRILLE EULESS TX	N		N/A - No Support Provided		Meals & Entertainment	N	N		
7/1/2016	27.68	TACOCABANA	Y		Receipt		Meals & Entertainment	N	Y		
7/6/2016	500.00	ISASI	Y		Invoice		Other				
7/7/2016	(104.98)	ASHLEY FURNITURE	N		N/A - No Support Provided		Other				
7/7/2016	51.18	FIVE GUYS	N		N/A - No Support Provided		Meals & Entertainment	N	N		
7/8/2016	50.95	OFFICE REPLACEMENT PARTS	Y		Email Confirm		Other				
7/8/2016	612.00	1 SHIP CAR	Y		Invoice		Automotive & Car Rental				
7/12/2016	29.64	TACOCABANA	Y		Email Receipt		Meals & Entertainment	N	Y		
7/12/2016	875.36	SAGE	Y		Email Confirm		Other				
7/12/2016	117.43	VILLA GRANDE	Y		Receipt		Meals & Entertainment	N	Y		
7/13/2016	46.50	HOME DEPOT	Y		Receipt		Other				
7/14/2016	143.88	EDIBLE ARRANGEMENTS	Y		Web Confirm		Other				
7/14/2016	102.12	FRATELLI PIZZA	Y		Receipt		Meals & Entertainment	N	Y		
7/14/2016	42.50	OFFICE REPLACEMENT PARTS	Y		Web Confirm		Other				
7/15/2016	204.00	MAIL CHIMP	N		N/A - No Support Provided		Other				
7/17/2016	303.09	OFFICE DEPOT	Y		Receipt		Other				
7/18/2016	35.93	RAVENS GRILLE	Y		Receipt		Meals & Entertainment	Y	Y		
7/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
7/18/2016	16.23	ADOBE	N		N/A - No Support Provided		Other				
7/19/2016	60.89	CRACKER BARREL	Y		Receipt		Meals & Entertainment	Y	Y		
7/20/2016	35.61	RAVENS GRILLE	Y		Receipt		Meals & Entertainment	N	Y		
7/22/2016	16.79	FAUCET DEPOT	Y		Web Receipt		Other				
7/26/2016	148.11	TACO CASA	Y		Receipt		Meals & Entertainment	N	Y		
7/27/2016	22.99	SIMONIZ CAR WASH	Y		Receipt		Automotive & Car Rental				
7/27/2016	931.77	BRANDED ITEMS	Y		Invoice		Other				
7/27/2016	22.99	SIMONIZ CAR WASH	Y		Receipt		Automotive & Car Rental				
7/27/2016	22.99	SIMONIZ CAR WASH	Y		Receipt		Automotive & Car Rental				
7/29/2016	3,970.00	NTSB TRAINING CENTER	Y		Web Confirm		Other				
7/30/2016	320.11	HOME DEPOT	N		N/A - No Support Provided		Other				
7/30/2016	332.99	KIRKLANDS	N		N/A - No Support Provided		Other				

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N)			For Meals & Entertainment Transactions Only		
Date	Amount	Vendor/Co	Procedure #2 & #3	Documentation Description	Transaction Classification	Procedure #4	Individuals Present Listed on Support (Y or N) Procedure #5	Business Purpose Listed on Support? (Y or N) Procedure #5	Additional Comments
63	7/30/2016	138.01	KIRKLANDS	N	N/A - No Support Provided	Other			
64	7/31/2016	80.54	HOME DEPOT	Y	Receipt	Other			
65	8/1/2016	55.86	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	Y	N	
66	8/7/2016	219.66	WALMART	N	N/A - No Support Provided	Other			
67	8/7/2016	43.30	WALMART	N	N/A - No Support Provided	Other			
68	8/8/2016	34.52	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	N	Y	
69	8/9/2016	29.64	TACO CABANA	Y	Receipt	Meals & Entertainment	N	Y	
70	8/11/2016	162.52	ENTERPRISE HOLDINGS MADRID	Y	Rental Agreement (Personal Purchase)	Travel			
71	8/11/2016	684.44	ENTERPRISE HOLDINGS MADRID	Y	Already Refunded/Arbitrated	Travel			
72	8/11/2016	175.00	AGI TMO DEDUCTIBLE	N	N/A - No Support Provided	Other			
73	8/11/2016	286.19	OFFICE DEPOT	Y	Order Confirm	Other			
74	8/12/2016	4.87	FOREIGN TRANSACTION FEE	Y	Rental Agreement (Personal Purchase)	Travel			
75	8/12/2016	20.53	FOREIGN TRANSACTION FEE	Y	Already Refunded/Arbitrated	Travel			
76	8/15/2016	204.00	MAIL CHIMP	Y	Already Refunded/Arbitrated	Other			
77	8/18/2016	(250.56)	ENTERPRISE HOKDINGS MADRID	Y	E Receipt	Travel			
78	8/18/2016	16.23	ADOBE	N	N/A - No Support Provided	Other			
79	8/18/2016		ADOBE	N	N/A - No Support Provided	Other			
80	8/19/2016	(7.51)	FOREIGN TRANSACTION FEE	Y	Rental Agreement (Personal Purchase)	Travel			
81	8/20/2016	52.01	GOGO AIR	N	Already Refunded/Arbitrated	Travel			
82	8/22/2016	50.93	RAVENS GRILLE	Y	N/A - No Support Provided	Meals & Entertainment	Y	N	
83	8/23/2016	44.46	TACO CABANA	Y	Receipt	Meals & Entertainment	N	Y	
84	8/23/2016	77.31	RAVENS GRILLE	Y	E Receipt	Meals & Entertainment	Y	Y	
85	8/24/2016	750.00	ACT INTERNATIONAL	Y	E Receipt	Other			
86	8/24/2016	54.77	CRACKER BARREL	Y	Receipt	Meals & Entertainment	N	Y	
87	8/28/2016	162.25	ADOBE	Y	Email Receipt	Other			
88	8/29/2016	110.03	CVS	N	N/A - No Support Provided	Other			
89	8/29/2016	56.18	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	N	N	
90	8/30/2016	118.41	ASPEN CREEK	Y	Receipt	Meals & Entertainment	Y	N	
91	8/30/2016	24.65	SHIPLEY DONUTS	Y	Receipt	Meals & Entertainment	N	N	
92	9/2/2016	49.61	WALMART	Y	Receipt	Other			
93	9/2/2016	50.66	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	Y	N	
94	9/3/2016	69.28	WALMART	Y	Receipt	Other			
95	9/3/2016	129.84	HOME DEPOT	Y	Receipt	Other			
96	9/5/2016	19.42	HOME DEPOT	Y	Receipt	Other			
97	9/8/2016	30.53	VILLA GRANDE	Y	Receipt	Meals & Entertainment	N	Y	
98	9/8/2016	32.15	VILLA GRANDE	Y	Receipt	Meals & Entertainment	N	Y	
99	9/11/2016	63.74	CRACKER BARREL	Y	Receipt	Meals & Entertainment	Y	Y	
100	9/13/2016	29.64	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	N	
101	9/14/2016	72.35	ASPEN CREEK	Y	Receipt	Meals & Entertainment	Y	N	
102	9/15/2016	204.00	MAIL CHIMP	N	N/A - No Support Provided	Other			
103	9/18/2016	16.23	ADOBE	N	N/A - No Support Provided	Other			
104	9/18/2016	16.23	ADOBE	N	N/A - No Support Provided	Other			
105	9/20/2016	132.50	EULESS B & B	Y	Deposit	Automotive & Car Rental			
106	9/20/2016	52.01	GOGO AIR	N	N/A - No Support Provided	Travel			
107	9/20/2016	5.56	DISCOUNT FOOD MART	N	N/A - No Support Provided	Other			
108	9/21/2016	52.53	TEXASL & C	Y	Receipt	Meals & Entertainment	Y	Y	
109	9/24/2016	160.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental			
110	9/26/2016	44.30	THE KEG STEAKHOUSE	Y	Receipt	Meals & Entertainment	Y	Y	
111	9/26/2016	22.19	GENGHIS GRILL	Y	Receipt	Meals & Entertainment	Y	Y	
112	9/26/2016	235.93	RESTO GARE & TRAIN BAR	Y	Receipt	Meals & Entertainment	N	Y	
113	9/26/2016	4.57	IM PARK	N	N/A - No Support Provided	Automotive & Car Rental			
114	9/26/2016	(39.96)	GOGO AIR	N	N/A - No Support Provided	Travel			
115	9/26/2016	7.48	UNICITY TAXI	N	N/A - No Support Provided	Travel			
116	9/26/2016	6.43	UNICITY TAXI	N	N/A - No Support Provided	Travel			
117	9/27/2016	0.13	FOREIGN TRANSACTION FEE	Y	Receipt	Travel			
118	9/27/2016	293.54	THE KEG STEAKHOUSE	Y	Receipt	Meals & Entertainment	Y	Y	
119	9/27/2016	5.28	UNICITY TAXI	N	N/A - No Support Provided	Travel			
120	9/28/2016	7.07	FOREIGN TRANSACTION FEE	Y	Receipt	Travel			
121	9/28/2016	0.22	FOREIGN TRANSACTION FEE	Y	Receipt	Travel			
122	9/28/2016	1.32	FOREIGN TRANSACTION FEE	Y	Receipt	Travel			
123	9/28/2016	16.15	UNICITY TAXI	N	N/A - No Support Provided	Travel			
124	9/28/2016	43.68	MARCELLO'S MARKET	Y	Receipt	Meals & Entertainment	Y	Y	30% Tip added
125	9/29/2016	0.15	FOREIGN TRANSACTION FEE	N	N/A - No Support Provided	Other			
126	9/29/2016	8.80	FOREIGN TRANSACTION FEE	N	N/A - No Support Provided	Other			
127	9/29/2016	1.31	FOREIGN TRANSACTION FEE	N	N/A - No Support Provided	Other			
128	9/29/2016	0.19	FOREIGN TRANSACTION FEE	N	N/A - No Support Provided	Other			
129	9/29/2016	243.54	T MOBILE	Y	Web Receipt	Other			
130	10/4/2016	0.48	FOREIGN TRANSACTION FEE	N	N/A - No Support Provided	Other			
131	10/7/2016	71.02	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	Y	N	
132	10/11/2016	29.64	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	Y	
133	10/13/2016	22.07	CHICK FIL A	Y	Receipt	Meals & Entertainment	Y	N	
134	10/13/2016	73.16	HOME DEPOT	N	N/A - No Support Provided	Other			
135	10/15/2016	204.00	MAIL CHIMP	Y	Email Receipt	Other			
136	10/18/2016	16.23	ADOBE	N	N/A - No Support Provided	Other			
137	10/18/2016	16.23	ADOBE	N	N/A - No Support Provided	Other			
138	10/18/2016	60.86	SAVIANOS ITALIAN	Y	Receipt	Meals & Entertainment	Y	N	20% tip added
139	10/25/2016	127.61	POSADOS CAFÉ	Y	Receipt	Meals & Entertainment	N	Y	
140	10/25/2016	29.64	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	Y	
141	10/29/2016	10.00	NTTA CUST SVC	N	N/A - No Support Provided	Automotive & Car Rental			
142	10/31/2016	17.99	TARGET	N	N/A - No Support Provided	Other			

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Date	Amount	Vendor/Co	Documentation Description Procedure #2 & #3	Transaction Classification Procedure #4	Individuals Present Listed on Support (Y or N) Procedure #5	Business Purpose Listed on Support? (Y or N) Procedure #5	Additional Comments	
143	11/1/2016	11.90	HITCH TAXI	Receipt	Travel			
144	11/1/2016	25.81	DCTAXI	Receipt	Travel			
145	11/2/2016	63.27	RAVENS GRILLE	Receipt	Meals & Entertainment	N	N	
146	11/3/2016	159.80	TRAVEL RESERVATION	Web Receipt	Travel			
147	11/4/2016	159.93	TRAVEL RESERVATION	Web Receipt	Travel			
148	11/5/2016	1,502.76	WILSON AMPLIFIERS	Purchase Order & Email Confirm	Other			
149	11/5/2016	101.58	EL 3 DEGALDOS	Receipt	Meals & Entertainment	N	N	
150	11/6/2016	160.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental			
151	11/7/2016	50.47	RAVENS GRILLE	Receipt	Meals & Entertainment	Y	N	
152	11/8/2016	23.76	CVS	Receipt	Other			
153	11/8/2016	31.06	MCDONALDS	Receipt	Meals & Entertainment	N	Y	
154	11/8/2016	367.83	EL FENIX	Correspondence	Meals & Entertainment	N	Y	
155	11/15/2016	204.00	MAIL CHIMP	Email Receipt	Other			
156	11/16/2016	92.01	ADOBACAFÉ	Receipt	Meals & Entertainment	N	Y	
157	11/16/2016	313.71	DICKEYS	Receipt	Meals & Entertainment	N	Y	
158	11/17/2016	54.07	OFFICE DEPOT	Receipt	Other			
159	11/18/2016	64.79	FRATELLI PIZZA	Receipt	Meals & Entertainment	N	Y	
160	11/18/2016	16.23	ADOBÉ	N/A - No Support Provided	Other			
161	11/18/2016	16.23	ADOBÉ	N/A - No Support Provided	Other			
162	11/21/2016	50.03	RAVENS GRILLE	Receipt	Meals & Entertainment	Y	N	
163	11/22/2016	102.49	OFFICE DEPOT	Receipt	Other			
164	11/30/2016	12.99	COSTCO	N/A - No Support Provided	Other			
165	12/1/2016	134.75	LARK CREEK GRILL	Receipt	Meals & Entertainment	Y	Y	
166	12/2/2016	23.58	YELLOW CAB	Receipt	Travel			
167	12/2/2016	88.44	MATISSE RESTAURANT	Receipt	Meals & Entertainment	Y	Y	
168	12/7/2016	473.30	OTB CATERING	Invoice	Meals & Entertainment	N	N	
169	12/7/2016	378.88	POTBELLY	Receipt	Meals & Entertainment	N	N	
170	12/9/2016	52.01	GOGOAIR	N/A - No Support Provided	Travel			
171	12/11/2016	100.00	WALMART	Receipt	Other			
172	12/12/2016	242.85	ALBERTSONS	Receipt	Other			
173	12/13/2016	29.64	TACO CABANA	Email Receipt	Meals & Entertainment	N	N	
174	12/13/2016	314.85	CVS	Receipt	Other			
175	12/14/2016	508.10	BABE'S ARLINGTON	Receipt	Meals & Entertainment	N	N	
176	12/14/2016	35.26	MELLOW MUSHROOM	Receipt	Meals & Entertainment	N	Y	
177	12/15/2016	204.00	MAIL CHIMP	E Receipt	Other			
178	12/18/2016	16.23	ADOBÉ	N/A - No Support Provided	Other			
179	12/18/2016	16.23	ADOBÉ	N/A - No Support Provided	Other			
180	12/21/2016	362.56	LA HACIENDA RANCH	Receipt	Meals & Entertainment	N	Y	
181	12/22/2016	100.96	RAVENSGRILLE	Receipt	Meals & Entertainment	Y	N	
182	12/26/2016	24.00	NTTA CUSTSVC	N/A - No Support Provided	Automotive & Car Rental			
183	12/27/2016	29.64	TACO CABANA	Receipt	Meals & Entertainment	N	Y	
184	12/28/2016	175.00	AGI TMO DEDUCTIBLE	N/A - No Support Provided	Other			
185	1/1/2017	120.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental			
186	1/2/2017	132.68	WALMART	N/A - No Support Provided	Other			
187	1/3/2017	32.97	TGI FRIDAYS	Receipt	Meals & Entertainment	N	N	
188	1/3/2017	118.37	BLACKFINN AMERIPUB	Receipt	Meals & Entertainment	N	N	
189	1/4/2017	91.00	BARCODE WASHINGTON	Receipt	Meals & Entertainment	N	N	
190	1/5/2017	132.00	THE CAKE ROOM	N/A - No Support Provided	Meals & Entertainment	N	N	
191	1/13/2017	429.94	AATRIX SOFTWARE	Effile Confirm	Other			
192	1/15/2017	204.00	MAIL CHIMP	Email Receipt	Other			
193	1/17/2017	14.95	AATRIX SOFTWARE	Effile Confirm	Other			
194	1/17/2017	17.91	AATRIX SOFTWARE	Effile Confirm	Other			
195	1/18/2017	16.23	ADOBÉ	N/A - No Support Provided	Other			
196	1/18/2017	16.23	ADOBÉ	N/A - No Support Provided	Other			
197	1/19/2017	975.00	ANIMAL CONTROL	Invoice	Other			
198	1/20/2017	150.62	ID ENHANCEMENTS	Web Receipt	Other			
199	1/20/2017	66.50	JIMMY JOHNS	Receipt	Meals & Entertainment	Y	Y	20% tip added
200	1/23/2017	867.00	1 SHIP CAR	Shipping Agreement	Automotive & Car Rental			
201	1/23/2017	65.53	WALMART	Receipt	Meals & Entertainment	N	Y	
202	1/23/2017	45.70	OSI BATTERIES	Receipt	Other			
203	1/25/2017	66.03	RAVENS GRILLE EULESS TX	Receipt	Meals & Entertainment	N	Y	
204	1/25/2017	500.00	DANA FARBER JIMMY FUND	Email Confirm	Other			
205	1/26/2017	28.98	COSTCO	Receipt	Other			
206	1/27/2017	23.88	AATRIX SOFTWARE	Effile Confirm	Other			
207	1/27/2017	120.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental			
208	1/28/2017	269.90	SOUTHWEST	Email Confirm	Travel			
209	1/28/2017	3,600.00	SQ K SPORT MIAMI	Web Receipt	Other			
210	1/28/2017	184.01	OFFICE DEPOT	Receipt	Other			
211	1/28/2017	9.72	HOME DEPOT	Receipt	Other			
212	2/3/2017	27.05	ROSS STORES	Receipt	Other			
213	2/6/2017	304.70	A A ARLINGTON ABANDONED	Abandoned Vehicle Report	Automotive & Car Rental			
214	2/6/2017	90.34	FRATELLI PIZZA	Receipt	Meals & Entertainment	Y	Y	
215	2/9/2017	52.01	GOGOAIR	N/A - No Support Provided	Travel			
216	2/13/2017	83.89	JOE GAMBINO'S BAKERY	Email Order	Meals & Entertainment	N	Y	
217	2/14/2017	29.64	TACO CABANA	Email Receipt	Meals & Entertainment	N	N	
218	2/15/2017	204.00	MAIL CHIMP	N/A - No Support Provided	Other			
219	2/16/2017	120.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental			
220	2/18/2017	16.23	ADOBÉ	N/A - No Support Provided	Other			
221	2/18/2017	16.23	ADOBÉ	N/A - No Support Provided	Other			
222	2/21/2017	76.40	BEST TRANSPORTATION	Email Confirm	Travel			
223	2/22/2017	48.05	CHINO CHINATOWN	Receipt	Meals & Entertainment	Y	N	
224	2/28/2017	29.64	TACO CABANA	Email Receipt	Meals & Entertainment	N	N	
225	3/1/2017	160.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental			
226	3/2/2017	127.71	180FLOWERS	Email Receipt	Other			
227	3/4/2017	192.43	MAGGIANOS	Receipt	Meals & Entertainment	Y	Y	
228	3/5/2017	23.72	SHELL CAR RENTAL	Receipt	Automotive & Car Rental			

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	Date	Amount	Vendor/Co					Additional Comments
229	3/5/2017	141.48	OFFICE DEPOT	Y	Receipt	Other		
230	3/5/2017	78.01	OFFICE DEPOT	Y	Receipt	Other		
231	3/5/2017	91.75	ROSALITA'S CANTINA	Y	Receipt	Meals & Entertainment	Y	Y
232	3/11/2017	42.00	EMBASSY SUITES	N	N/A - No Support Provided	Travel		
233	3/15/2017	183.60	MAILCHIMP	Y	Email Receipt	Other		
234	3/15/2017	505.36	SUPERIOR PRESS	Y	Invoice	Other		
235	3/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
236	3/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
237	3/23/2017	62.77	1800FLOWERS	Y	Email Receipt	Other		
238	3/24/2017	39.31	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	N	Y
239	3/28/2017	500.00	ISASI	Y	Invoice	Other		
240	3/28/2017	29.64	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	N
241	3/29/2017	1,255.88	STERLING AIRCRAFT	Y	Email Confirm	Travel		
242	3/31/2017	937.91	HOBBY LOBBY	Y	Receipt	Other		
243	4/2/2017	37.67	FOREIGN TRANSACTION FEE	Y	EmailConfirm	Other		
244	4/3/2017	59.87	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
245	4/3/2017	160.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
246	4/5/2017	59.77	VILLA GRANDE	Y	Receipt	Meals & Entertainment	Y	N
247	4/7/2017	61.85	LAZY DOG RESTAURANT	Y	Receipt	Meals & Entertainment	Y	N
248	4/11/2017	17.98	DUNKIN	Y	Receipt	Meals & Entertainment	N	N
249	4/13/2017	50.57	LAZY DOG RESTAURANT	Y	Receipt	Meals & Entertainment	Y	N
250	4/13/2017	794.77	BINSWANGER GLASS	Y	Bill	Other		
251	4/13/2017	580.23	BINSWANGER GLASS	Y	Bill	Other		
252	4/15/2017	183.60	MAILCHIMP	Y	Email Receipt	Other		
253	4/18/2017	108.52	FRATELLI PIZZA	Y	Receipt	Meals & Entertainment	N	N
254	4/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
255	4/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
256	4/22/2017	13.21	DAIRY QUEEN EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
257	4/26/2017	77.75	TARRANT VEHICLE REG	Y	Email Receipt & Renewal	Automotive & Car Rental		
258	4/26/2017	2.00	TX.GOV SVC FEE	Y	Email Receipt & Renewal	Other		
259	4/26/2017	32.99	DUNKIN	Y	Receipt	Meals & Entertainment	N	N
260	4/26/2017	28.14	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
261	5/1/2017	195.00	ANNUAL MEMBERSHIP FEE	N	N/A - No Support Provided	Other		20% tip added
262	5/2/2017	170.00	AEDLAND.COM	N	N/A - No Support Provided	Other		
263	5/5/2017	30.65	WALMART	Y	Receipt	Meals & Entertainment	N	N
264	5/5/2017	62.75	FROM YOU FLOWERS	Y	Email Confirm	Other		
265	5/7/2017	200.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
266	5/8/2017	36.09	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
267	5/9/2017	32.48	TACO BELL	N	N/A - No Support Provided	Meals & Entertainment	N	N
268	5/10/2017	98.59	PIZZA HUT	Y	Receipt	Meals & Entertainment	N	Y
269	5/11/2017	46.27	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
270	5/14/2017	784.96	HOTELS.COM	Y	Web Confirm	Travel		
271	5/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other		
272	5/15/2017	64.88	TIGIN IRISH PUB	Y	Receipt	Meals & Entertainment	Y	Y
273	5/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
274	5/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
275	5/19/2017	50.30	NYPD DELI EULESS TX	N	N/A - No Support Provided	Meals & Entertainment	N	N
276	5/22/2017	53.17	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
277	5/23/2017	434.36	STERLING AIRCRAFT	Y	Email Confirm	Travel		20% tip added
278	5/24/2017	13.03	FOREIGN TRANSACTION FEE	Y	Email Confirm	Other		
279	5/24/2017	583.70	BLUE SHOE SOFTWARE	Y	Order Confirm	Other		
280	5/30/2017	78.37	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	N
281	5/30/2017	35.71	DUNKIN	N	N/A - No Support Provided	Meals & Entertainment	N	N
282	6/6/2017	263.11	POTBELLY	Y	Email Receipt & Correspondence	Meals & Entertainment	N	Y
283	6/14/2017	95.01	1800FLOWERS	Y	Web Confirm	Other		
284	6/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other		
285	6/16/2017	549.00	AATRIX SOFTWARE	N	N/A - No Support Provided	Other		
286	6/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
287	6/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
288	6/26/2017	35.71	DUNKIN	Y	Receipt	Meals & Entertainment	N	N
289	6/27/2017	105.71	PANERA BREAD	Y	Email Receipt & Correspondence	Meals & Entertainment	N	Y
290	6/30/2017	95.05	CHEDDAR'S	Y	Receipt	Meals & Entertainment	Y	N
291	7/5/2017	160.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
292	7/12/2017	163.80	RADWELL INTERNATIONAL	Y	Order Confirm	Other		
293	7/13/2017	249.98	ALL BATT CENTER	Y	Receipt	Automotive & Car Rental		
294	7/13/2017	121.24	POTBELLY	Y	Receipt & Correspondence	Meals & Entertainment	N	Y
295	7/13/2017	(91.19)	SHERATON HOTEL PHX	N	N/A - No Support Provided	Travel		
296	7/13/2017	91.19	SHERATON HOTEL PHX	N	N/A - No Support Provided	Travel		
297	7/15/2017	204.00	MAILCHIMP	N	N/A - No Support Provided	Other		
298	7/15/2017	(10.82)	LEVEL UP	N	N/A - No Support Provided	Other		
299	7/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
300	7/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
301	7/18/2017	28.34	MCDONALDS	Y	Receipt	Meals & Entertainment	N	N
302	7/18/2017	13.64	TACO BELL	Y	Receipt	Meals & Entertainment	N	N
303	7/20/2017	88.45	POTBELLY	Y	Email Confirm & Correspondence	Meals & Entertainment	N	Y
304	7/26/2017	(249.98)	ALL BATT CENTER	Y	Receipt	Automotive & Car Rental		
305	8/3/2017	157.56	LA MADELINE CATER	Y	Invoice & Email Confirm	Meals & Entertainment	N	Y
306	8/9/2017	172.07	DISCOUNT TIRE	Y	Receipt	Automotive & Car Rental		
307	8/10/2017	63.83	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N
308	8/15/2017	29.64	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	Y
309	8/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other		
310	8/16/2017	66.56	NYPD DELI EULESS TX	Y	Receipt	Meals & Entertainment	N	Y
311	8/16/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
312	8/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other		
313	8/19/2017	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
314	8/22/2017	50.44	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation		For Meals & Entertainment Transactions Only			
	Date	Amount	Vendor/Co	Provided? (Y or N) Procedure #2 & #3	Documentation Description Procedure #2 & #3	Transaction Classification Procedure #4	Individuals Present Listed on Support (Y or N) Procedure #5	Business Purpose Listed on Support? (Y or N) Procedure #5	Additional Comments
315	8/24/2017	191.76	SPRINT STORE	Y	Receipt	Other			
316	8/28/2017	162.25	ADOBE	N	N/A - No Support Provided	Other			
317	8/30/2017	51.89	RAVENS GRILLE EULESS TX	N	N/A - No Support Provided	Meals & Entertainment	N	N	
318	9/3/2017	169.10	HOTELS.COM	Y	Email Confirm	Travel			
319	9/4/2017	95.61	LA QUINTA INN	Y	Email Reservation	Travel			
320	9/11/2017	53.49	NYPD DELI EULESS TX	Y	Receipt	Meals & Entertainment	N	Y	
321	9/13/2017	4.99	AMAZON	N	N/A - No Support Provided	Other			
322	9/13/2017	62.84	B&H PHOTO	Y	Web Receipt	Other			
323	9/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other			
324	9/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
325	9/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
326	9/20/2017	1,187.69	AMAZON	Y	Web Confirm	Other			
327	9/20/2017	139.59	AMAZON	Y	Web Confirm	Other			
328	9/21/2017	714.41	HOTEL WATERLOO LONDON	Y	Booking Report	Travel			
329	9/21/2017	714.41	HOTEL WATERLOO LONDON	Y	Booking Report	Travel			
330	9/21/2017	714.41	HOTEL WATERLOO LONDON	Y	Booking Report	Travel			
331	9/21/2017	714.41	HOTEL WATERLOO LONDON	Y	Booking Report	Travel			
332	9/22/2017	21.43	FOREIGN TRANSACTION FEE	Y	Booking Report	Travel			
333	9/22/2017	21.43	FOREIGN TRANSACTION FEE	Y	Booking Report	Travel			
334	9/22/2017	21.43	FOREIGN TRANSACTION FEE	Y	Booking Report	Travel			
335	9/22/2017	21.43	FOREIGN TRANSACTION FEE	Y	Booking Report	Travel			
336	9/22/2017	69.14	POTBELLY	Y	Receipt & Correspondence	Meals & Entertainment	N	Y	
337	9/25/2017	66.89	ITALIANNIS RESTAURANT	Y	Receipt	Meals & Entertainment	Y	Y	18% tip added
338	9/27/2017	77.75	TARRANT VEHICLE REG	Y	Email Confirm & Renewal	Automotive & Car Rental			
339	9/27/2017	2.00	TX.GOV SVC FEE	Y	Email Confirm & Renewal	Automotive & Car Rental			
340	9/29/2017	1,162.49	SAGE SOTFTWARE	Y	Web Receipt	Other			
341	9/29/2017	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental			
342	10/3/2017	42.59	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N	
343	10/6/2017	199.49	SUPPLY GEEKS	Y	Order Confirm	Other			
344	10/10/2017	797.82	SPRINT	Y	Web Receipt	Other			
345	10/15/2017	204.00	MAILCHIMP	Y	Email Confirm	Other			
346	10/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
347	10/18/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
348	10/19/2017	60.43	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	N	N	
349	10/20/2017	34.99	AMAZON	Y	Web Receipt	Other			
350	10/23/2017	302.41	AMERICAN AIR	Y	Web Confirm	Travel			
351	10/23/2017	302.41	AMERICAN AIR	Y	Web Confirm	Travel			
352	10/27/2017	51.03	SOUTHLAKE COPELANDS	Y	Receipt	Meals & Entertainment	N	N	
353	10/27/2017	134.47	BEDFORD TOWNPLACE	Y	Authorization Form & Reservation	Travel			
354	10/30/2017	72.21	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N	
355	10/31/2017	61.87	OUTBACK	Y	Receipt	Meals & Entertainment	Y	Y	
356	11/1/2017	255.85	GRAPEVINE DODGE	Y	Invoice	Automotive & Car Rental			
357	11/2/2017	22.39	FEDEX	Y	Receipt	Other			
358	11/2/2017	313.88	HOTELS.COM	Y	Email Confirm	Travel			
359	11/6/2017	39.44	T-MOBILE	Y	Receipt	Other			
360	11/7/2017	64.86	OFFICE DEPOT	Y	Receipt	Other			
361	11/8/2017	20.12	NYPD DELI EULESS TX	N	N/A - No Support Provided	Meals & Entertainment	N	N	
362	11/8/2017	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental			
363	11/10/2017	85.46	DOMINOS	Y	Receipt	Meals & Entertainment	N	Y	
364	11/10/2017	67.07	PIZZAHUT	Y	Receipt	Meals & Entertainment	N	Y	
365	11/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other			
366	11/15/2017	90.87	POTBELLY	Y	Receipt & Correspondence	Meals & Entertainment	Y	Y	
367	11/15/2017	(156.94)	HOTELS.COM	Y	Web Receipt	Travel			
368	11/15/2017	(156.94)	HOTELS.COM	Y	Web Receipt	Travel			
369	11/17/2017	717.97	BOSTON MARKET	Y	Receipt	Meals & Entertainment	N	Y	
370	11/19/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
371	11/19/2017	16.23	ADOBE	N	N/A - No Support Provided	Other			
372	11/21/2017	77.75	TARRANT VEHIC REG	Y	Email Receipt	Automotive & Car Rental			
373	11/21/2017	2.00	TX.GOV SVC FEE	Y	Email Receipt	Automotive & Car Rental			
374	11/21/2017	33.56	TACO BELL	Y	Email Receipt	Meals & Entertainment	N	Y	
375	11/23/2017	(302.41)	AMERICAN AIR	Y	Chase Transaction Report & Correspondence	Travel			
376	11/23/2017	(302.41)	AMERICAN AIR	Y	Chase Transaction Report & Correspondence	Travel			
377	11/28/2017	675.00	ISHIPCAR.COM	Y	Shipping Order	Automotive & Car Rental			
378	11/28/2017	31.52	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	N	
379	11/29/2017	12.45	THE STAMP MAKER	N	N/A - No Support Provided	Other			
380	11/30/2017	18.05	SOUTHLAKE COPELANDS	Y	Receipt	Meals & Entertainment	N	Y	
381	12/2/2017	175.00	AGI TMO DEDUCTIBLE	Y	Confirm	Other			
382	12/7/2017	44.04	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	N	N	
383	12/7/2017	152.56	HOLIDAY INN CHICAGO	Y	Card Authorization	Travel			
384	12/7/2017	152.56	HOLIDAY INN CHICAGO	Y	Card Authorization	Travel			
385	12/7/2017	152.56	HOLIDAY INN CHICAGO	Y	Card Authorization	Travel			
386	12/7/2017	110.67	ADVANCE AUTO	Y	Receipt	Automotive & Car Rental			
387	12/8/2017	316.20	AMAZON	Y	Web Receipt	Other			
388	12/8/2017	86.58	STAPLES	Y	Receipt	Other			
389	12/8/2017	246.44	C.COURTYARD BY MARRIOTT	Y	Banquet Contract	Travel			
390	12/10/2017	152.56	HOLIDAY INN CHICAGO	Y	Card Authorization	Travel			
391	12/11/2017	62.39	AMAZON	Y	Web Receipt	Other			
392	12/11/2017	92.01	POTBELLY	Y	Receipt & Correspondence	Meals & Entertainment	N	Y	
393	12/11/2017	43.25	SPRINT	Y	Invoice	Other			
394	12/12/2017	138.48	COURTYARD BY MARRIOTT	Y	Banquet Contract	Meals & Entertainment	N	Y	
395	12/12/2017	5.27	AMAZON MKTPLACE PMTS	N	N/A - No Support Provided	Other			
396	12/13/2017	568.64	BABE'S ARLINGTON	Y	Receipt	Meals & Entertainment	N	Y	
397	12/13/2017	209.07	CVS	Y	Receipt	Other			
398	12/15/2017	204.00	MAILCHIMP	Y	Email Receipt	Other			

Data from Chase Credit Card Statements - Procedure #1				Supporting Documentation Provided? (Y or N) Procedure #2 & #3		For Meals & Entertainment Transactions Only		
Date	Amount	Vendor/Co	Documentation Description	Transaction Classification	Individuals Present Listed on Support (Y or N) Procedure #4	Business Purpose Listed on Support? (Y or N) Procedure #5	Additional Comments	
399	12/15/2017	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided			
400	12/18/2017	16.23	ADOBE	N	N/A - No Support Provided			
401	12/18/2017	16.23	ADOBE	N	N/A - No Support Provided			
402	12/18/2017	75.67	RAVENS GRILLE EULESS TX	Y	Receipt	Meals & Entertainment	Y	Y
403	12/20/2017	42.52	AMAZON	Y	Web Receipt	Other		
404	12/20/2017	367.70	BRIO SOUTHLAKE	Y	Receipt	Meals & Entertainment	Y	Y
405	12/22/2017	1,173.99	SAFE SCAN USA	Y	Credit Memo	Other		
406	12/29/2017	42.69	ANA'S ISLAND GRILL	Y	Receipt	Meals & Entertainment	Y	Y
407	1/2/2018	47.74	RAVENS GRILLE EULESS	Y	Receipt	Meals & Entertainment	N	N
408	1/8/2018	251.14	DOMINOS	Y	Receipt	Meals & Entertainment	N	N
409	1/10/2018	(1,173.99)	SAFE SCAN USA	Y	Credit Memo	Other		
410	1/15/2018	318.75	MAILCHIMP	Y	Digital Confirm	Other		
411	1/16/2018	378.20	AATRIX SOFTWARE	Y	EfileConfirm	Other		
412	1/17/2018	14.95	AATRIX SOFTWARE	Y	EfileConfirm	Other		
413	1/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
414	1/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
415	1/22/2018	14.95	AATRIX SOFTWARE	Y	EfileConfirm	Other		
416	1/23/2018	(0.19)	INTEREST CHARGE REVERSAL	N	N/A - No Support Provided	Other		
417	1/23/2018	(272.81)	FOREIGN CURRENCY FEE REVERSAL	N	N/A - No Support Provided	Travel		
418	1/24/2018	(415.68)	DICKEY'S BARBECUE PIT	N	N/A - No Support Provided	Meals & Entertainment	N	N
419	1/25/2018	77.60	TLF FLOWER GARDEN FLORIST	Y	Order Confirm	Other		
420	1/25/2018	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
421	1/30/2018	817.00	MIAMI INTL AIRPORT	Y	MeetingContract	Other		
422	1/30/2018	43.27	HOME DEPOT	Y	Receipt	Other		
423	2/1/2018	26.97	OPENTIP.COM	Y	Order Summary	Other		
424	2/5/2018	41.26	MIAMI INTL AIRPORT	Y	Meeting Contract	Other		
425	2/7/2018	127.98	SWEETWATER SOUND	Y	Apfa Statement	Other		
426	2/9/2018	49.10	SIMPLY BURGERS FT WORTH	Y	Receipt	Meals & Entertainment	N	Y
427	2/14/2018	47.80	AA CONF CENTER OUTLET	Y	Receipt	Meals & Entertainment	N	N
428	2/15/2018	318.75	MAILCHIMP	N	N/A - No Support Provided	Other		
429	2/17/2018	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
430	2/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
431	2/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
432	2/20/2018	30.81	KROGER	Y	Receipt	Meals & Entertainment	N	Y
433	2/21/2018	95.97	FROM YOU FLOWERS	Y	Web Confirm & Email Request	Other		
434	2/22/2018	140.82	HOLIDAY INN CHICAGO	Y	EmailConfirm	Travel		
435	2/23/2018	79.36	JIMMY JOHNS	Y	Receipt	Meals & Entertainment	N	N
436	2/24/2018	38.00	FEDEX	Y	Receipt	Other		
437	2/26/2018	114.17	BOARDWALK BILLYS	Y	Receipt	Meals & Entertainment	N	N
438	2/27/2018	234.90	BUDGET RENT A CAR CHARLOTTE	Y	Receipt	Automotive & Car Rental		
439	2/27/2018	5.01	SHELL OIL	Y	Receipt	Travel		
440	2/27/2018	298.97	FIREWATER CHARLOTTE	Y	Receipt	Meals & Entertainment	N	N
441	3/1/2018	79.81	BAR LOUIE CHARLOTTE	Y	Receipt	Meals & Entertainment	Y	N
442	3/2/2018	268.23	CIROS ITALIAN	Y	Receipt	Meals & Entertainment	N	N
443	3/4/2018	118.23	HILTON	Y	Receipt	Meals & Entertainment	N	N
444	3/6/2018	155.97	TACO CASA	Y	Receipt	Meals & Entertainment	N	N
445	3/7/2018	109.02	RAVENS GRILLE	Y	Receipt	Meals & Entertainment	N	N
446	3/8/2018	19.40	AA CONF CENTER OUTLET	Y	Receipt	Meals & Entertainment	N	N
447	3/15/2018	45.80	AA CONF CENTER OUTLET	Y	Receipt	Meals & Entertainment	N	N
448	3/15/2018	339.79	MAILCHIMP	Y	Email Confirm	Other		
449	3/17/2018	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
450	3/18/2018	87.01	COSTCO	Y	Receipt	Other		
451	3/18/2018	90.92	OFFICE DEPOT	Y	Receipt	Other		
452	3/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
453	3/19/2018	16.23	ADOBE	N	N/A - No Support Provided	Other		
454	3/21/2018	98.36	ASPEN CREEK	Y	Receipt	Meals & Entertainment	N	N
455	3/22/2018	36.80	AA CONF CENTER OUTLET	Y	Receipt	Meals & Entertainment	N	N
456	3/24/2018	360.13	HOLIDAY INN	Y	Email Confirm	Travel		
457	3/24/2018	360.13	HOLIDAY INN	Y	Email Confirm	Travel		
458	3/26/2018	72.90	COSTCO	Y	Receipt	Other		
459	3/29/2018	276.80	HILTON (EURO)	Y	Email Confirm	Travel		
460	3/29/2018	245.44	HILTON (EURO)	Y	Email Confirm	Travel		
461	3/29/2018	245.44	HILTON (EURO)	Y	Email Confirm	Travel		
462	3/29/2018	245.44	HILTON (EURO)	Y	Email Confirm	Travel		
463	4/1/2018	8.30	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
464	4/1/2018	7.36	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
465	4/1/2018	7.36	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
466	4/1/2018	7.36	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
467	4/3/2018	39.51	JIMMY JOHNS	Y	Receipt	Meals & Entertainment	N	N
468	4/7/2018	1,090.41	ALOFT NEW YORK	Y	Expense Summary Report	Travel		15% tip added
469	4/7/2018	1,090.41	ALOFT NEW YORK	Y	Expense Summary Report	Travel		
470	4/8/2018	125.35	SHERATON DFW	Y	Email Confirm	Travel		
471	4/8/2018	9.16	KROGER	Y	Receipt	Other		
472	4/11/2018	120.00	NTTA AUTOCHARGE	N	N/A - No Support Provided	Automotive & Car Rental		
473	4/12/2018	100.00	PAYPAL	Y	Email Correspondence	Other		
474	4/13/2018	239.53	BOOKED.NET	Y	Email Confirm	Travel		
475	4/13/2018	239.53	BOOKED.NET	Y	Email Confirm	Travel		
476	4/13/2018	276.57	BOOKED.NET	Y	Email Confirm	Travel		
477	4/15/2018	7.18	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
478	4/15/2018	7.18	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
479	4/15/2018	8.29	FOREIGN TRANSACTION FEE	Y	Email Confirm	Travel		
480	4/15/2018	339.79	MAILCHIMP	Y	Email Confirm	Other		
481	4/17/2018	34.62	TACO CABANA	Y	Email Receipt	Meals & Entertainment	N	N
482	4/18/2018	500.25	THE COMMUTER STORE	Y	Receipt	Travel		



Data from Chase Credit Card Statements - Procedure #1			Supporting Documentation Provided? (Y or N) Procedure #2 & #3			For Meals & Entertainment Transactions Only		
Date	Amount	Vendor/Co	Documentation Description	Transaction Classification	Individuals Present Listed on Support (Y or N) Procedure #4	Business Purpose Listed on Support? (Y or N) Procedure #5	Additional Comments	
483 4/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
484 4/19/2018	24.00	NTTA CUSTOMER SVC	Parking Receipt	Automotive & Car Rental				
485 4/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
486 4/19/2018	24.00	NTTA CUSTOMER SVC	Parking Receipt	Automotive & Car Rental				
487 4/19/2018	228.87	HYATT REGENCY DFW	Receipt	Meals & Entertainment	N	N		
488 4/20/2018	24.00	NTTA CUSTOMER SVC	Parking Receipt	Automotive & Car Rental				
489 4/20/2018	24.00	NTTA CUSTOMER SVC	Parking Receipt	Automotive & Car Rental				
490 4/20/2018	1,170.98	CAPITOL HOST	Order Summary	Meals & Entertainment	N	N		
491 4/21/2018	24.00	NTTA CUSTOMER SVC	Parking Receipt	Automotive & Car Rental				
492 4/22/2018	91.38	COSTCO	Receipt	Other				
493 4/23/2018	319.37	DOUBLETREE CRYSTL CITY	Email Confirm	Travel				
494 4/25/2018	21.94	SO LVC	Email Receipt	Other				
495 4/27/2018	131.65	RED TORCH DUBLIN	Receipt	Meals & Entertainment	Y	Y		
496 4/29/2018	3.94	FOREIGN TRANSACTION FEE	N/A - No Support Provided	Other				
497 5/1/2018	500.00	ISASI	Invoice	Other	N	N		
498 5/1/2018	79.30	RAVENS GRILLE	Receipt	Meals & Entertainment				
499 5/1/2018	195.00	ANNUAL MEMBERSHIP FEE	N/A - No Support Provided	Other				
500 5/6/2018	160.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental				
501 5/8/2018	24.00	NTTA CUSTOMER SVC	N/A - No Support Provided	Automotive & Car Rental				
502 5/8/2018	24.00	NTTA CUSTOMER SVC	N/A - No Support Provided	Automotive & Car Rental				
503 5/12/2018	24.00	NTTA CUSTOMER SVC	N/A - No Support Provided	Automotive & Car Rental				
504 5/13/2018	45.98	AMAZON	Website Confirm	Other				
505 5/15/2018	339.79	MAILCHIMP	Email Confirm	Other				
506 5/15/2018	439.88	MARRIOTT	Email Confirm	Travel				
507 5/15/2018	219.94	MARRIOTT	Email Confirm & Correspondence	Travel				
508 5/16/2018	439.88	MARRIOTT	Email Confirm	Travel				
509 5/16/2018	600.00	PAYPAL	Email Receipt	Other				
510 5/18/2018	(1,090.41)	ALOFT NEW YORK	Email Confirm	Travel				
511 5/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
512 5/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
513 5/19/2018	(1,090.41)	ALOFT NEW YORK	Email Confirm	Travel				
514 5/22/2018	62.65	FACTORY OUTLET STORE	Email Receipt	Other				
515 5/22/2018	67.66	NYPDELI	Receipt	Meals & Entertainment	N	Y		
516 5/23/2018	549.00	AATRIX SOFTWARE	Email Confirm & Correspondence	Other				
517 5/24/2018	70.82	ZOES	Receipt	Meals & Entertainment	N	N		
518 5/29/2018	2.00	TX.GOV SVC FEE	Receipt	Automotive & Car Rental				
519 5/29/2018	71.75	TARRANT VEH REG	Receipt & Renewal	Automotive & Car Rental				
520 6/5/2018	366.50	HOLIDAY INN CHARLOTTE	Authorization Form & Confirm	Travel				
521 6/6/2018	183.25	HOLIDAY INN CHARLOTTE	Authorization Form & Confirm	Travel				
522 6/6/2018	200.00	NTTA AUTOCHARGE	N/A - No Support Provided	Automotive & Car Rental				
523 6/8/2018	1,190.75	SAGE SOFTWARE	Email Receipt	Other				
524 6/15/2018	339.79	MAILCHIMP	N/A - No Support Provided	Other				
525 6/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
526 6/19/2018	16.23	ADOBE	N/A - No Support Provided	Other				
527 7/2/2018	26.09	AMAZON	Website Receipt	Other				
89,343.98								

**Exhibit B**

Cornwell Jackson Invoices for the Performance of Agreed-Upon Procedures



6865 Windcrest Drive , Suite 100  
 Plano, Texas 75024  
 972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
 1004 W. EULESS BLVD.  
 EULESS, TX 76040

Invoice No: 30431  
 Date: 5/31/2022

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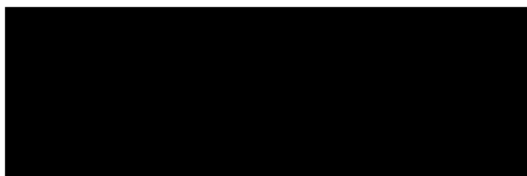
**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

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Fees related to the agreed-upon procedures for ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS:

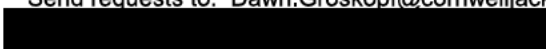
AUP Fees - Vargas \$150.00

**PAYMENT METHOD**



**By Bill.com**

Company Name: Cornwell Jackson, PLLC  
 Send requests to: Dawn.Groskopf@cornwelljackson.com



**By e-check or credit card**

www.cornwelljackson.com

**By Check:**

6865 Windcrest Drive Ste 100  
 Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00

Invoice Due Upon Receipt

APPX. 0500



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 30709  
Date: 6/30/2022

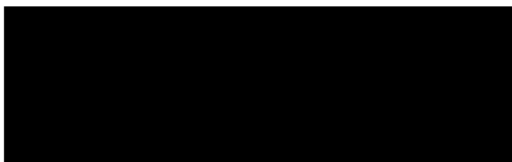
**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

Fees related to the agreed-upon procedures engagement related to Eugenio Vargas

Agreed-upon procedure fees \$3,300.00

Invoice Total: \$3,300.00

**PAYMENT METHOD**



**By Bill.com**

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com



**By e-check or credit card**

www.cornwelljackson.com

**By Check:**

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$3,300.00	\$300.00	\$0.00	\$0.00	\$0.00	\$3,600.00

Invoice Due Upon Receipt

APPX. 0501



6865 Windcrest Drive , Suite 100  
Plano, Texas 75024  
972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
1004 W. EULESS BLVD.  
EULESS, TX 76040

Invoice No: 31072  
Date: 7/31/2022  
Client No: 6700

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**INTERIM PROGRESS BILL - Fees listed below may only reflect a portion of the total engagement fee.**

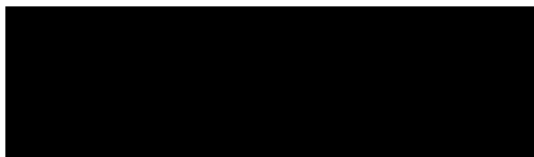
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Fees related to the agreed-upon procedures engagement related to Eugenio Vargas

Agreed-upon procedure fees \$4,825.00

Invoice Total: \$4,825.00

**PAYMENT METHOD**



**By Bill.com**

Company Name: Cornwell Jackson, PLLC  
Send requests to: Dawn.Groskopf@cornwelljackson.com



**By e-check or credit card**

www.cornwelljackson.com

**By Check:**

6865 Windcrest Drive Ste 100  
Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$4,825.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,825.00

Invoice Due Upon Receipt

APPX. 0502



6865 Windcrest Drive , Suite 100  
 Plano, Texas 75024  
 972.202.8000 p / 972.202.8010 f

ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
 1004 W. EULESS BLVD.  
 EULESS, TX 76040

Invoice No: 31074  
 Date: 8/5/2022



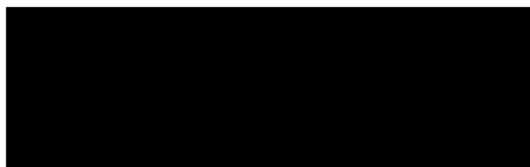
**FINAL BILL - Fees listed below may only reflect a portion of the total engagement fee. However, this is the final bill for these services.**

Fees related to the agreed-upon procedures engagement related to Eugenio Vargas

Agreed-upon procedure fees \$150.00

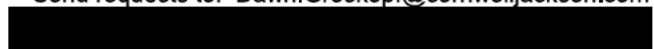
Invoice Total: \$150.00

**PAYMENT METHOD**



[By Bill.com](#)

Company Name: Cornwell Jackson, PLLC  
 Send requests to: Dawn.Groskopf@cornwelljackson.com



[By e-check or credit card](#)

[www.cornwelljackson.com](http://www.cornwelljackson.com)

[By Check:](#)

6865 Windcrest Drive Ste 100  
 Plano, TX 75024

**Accounts Receivable Aging**

0-30	31-60	61-90	91-120	Over 120	Balance
\$150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00

Invoice Due Upon Receipt

APPX. 0503





On the 18<sup>th</sup> day of February 2022, the undersigned arbitrator issued a Decision and Remedy in the above case. In the original Remedy the undersigned arbitrator requested APFA to hire a forensic auditor to audit Mr. Eugenio Vargas credit card transactions as listed in item 1.

In accordance with the original remedy, the APFA hired Cornwell Jackson, Certified Public Accountants to conduct the requested audit. On August 5, 2022, the Independent Accountant's Audit Report was completed and submitted to the APFA. This report was subsequently transmitted to this arbitrator to review and to issue a "Supplemental Decision and Remedy Modification."

The arbitrator has reviewed the Independent Accountant's Audit Report and finds Defendant Eugenio Vargas has violated certain identified items. Thus, the February 18, 2022 Original Remedy is hereby modified to reflect the Auditors identified items. Accordingly, the arbitrator finds those monetary amounts found inappropriate are now subject for repayment to APFA. Additionally, the Auditors invoices for services rendered shall be included for repayment.

### **REMEDY MODIFICATION**

It is hereby Ordered that Defendant Vargas shall repay the APFA the following amounts the auditors deemed inappropriate. The Accountants Audit Report is a thorough explanation of the auditor's findings and those amounts found inappropriate.<sup>1</sup>

Vargas is to repay the APFA for the following:

1. **Inappropriate credit card charges related to meals. **\$13,914.87****

**Auditors Invoices**

05/31/2022	\$. 150.00
06/30/2022	3,300.00
07/31/2022	4,825.00
08/05/2022	<u>150.00</u>
<b>Total</b>	<b>\$ <u>8,425.00</u></b>

2. Vargas is prohibited from serving in any APFA National Officer position or Regional Officer position for life.
3. Vargas is hereby fined and Ordered to repay the APFA for half of the Arbitrator's Fee (1/2 x \$17,246.33 = **\$8,623.16** ) for this arbitration.
4. The arbitrator shall retain jurisdiction for 90-days over any issue involving this modified remedy only.

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<sup>1</sup> Mr. Vargas can request a copy of the auditor's report from the APFA if he has not already received a copy of it.

Issued the 24<sup>th</sup> day of August, 2022, in San Antonio, Texas.

  
Ruben R. Armendariz, Arbitrator